



# **Daily Report**

## **China**

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# Daily Report

## China

FBIS-CHI-91-155

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12 August 1991

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## United States & Canada

### Former Ambassador Lilley's Comments Refuted

HK1208105691 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 10 Aug 91 p 2

[Article originally carried in New York's CHIAO PAO [Overseas Chinese Journal]: "Notion of China's Sovereignty Is Not 'Outdated'"—first paragraph is editor's note]

[Text] On 27 July, New York's CHIAO PAO carried an editorial entitled "China's Notion of Sovereignty Is Not 'Outdated'." On 20 July, Taiwan's SHIH CHIEH LUN TAN PAO [World Forum] carried a signed article entitled "A Long Delay in the Reunification of Taiwan and the Mainland Means Many Hitches: U.S. Intervention Is Becoming More and More Open." These articles are summarized as follows:

Taiwan papers recently reported that when interviewed by Taiwan reporters on 18 July, former U.S. Ambassador to China James Lilley maintained that China's notion of "sovereignty" is "outdated" and that China should not prevent Taiwan from joining some international organizations. On 18 July Natale Bellocchi, chairman of the American Institute in Taiwan also talked about the "identity of a separate Taiwan." These two persons said clearly that they were speaking on "academic" questions in their personal capacity and that their views did not represent U.S. Government policy.

The sole criterion some Westerners use to judge that China's notion of sovereignty is "outdated" is fully derived from Western countries' political interests.

Lilley's and Bellocchi's remarks are in fact very heartening to some people within the Taiwan authorities who pursue "Pragmatic Diplomacy." A "high-ranking official" told Taiwan's "Tzu Li Wan Paoh": "Their remarks are significant to a definite degree in reflecting the U.S. Government's policy, and their content "conforms to" the pragmatic diplomacy we have been pursuing in recent years." He said: "One of the major points of pragmatic diplomacy is to make the Taiwan issue an international one."

The Taiwan issue is an internal affair of China. Making it an international issue means having foreigners intervene in China's internal affairs.

This point is in the U.S.-Sino "17 August Communique" published in 1982, the United States promised that "it does not intend to infringe on China's sovereignty and territorial integrity or to intervene in China's internal affairs, nor does it intend to pursue a "two Chinas" or "one China, one Taiwan" policy." At that time, the Soviet Union had not declined, the Gulf war had not broken out, and the so-called "new" subjective notion had not come into being. Therefore, the word "sovereignty" should of course retain its original meaning. That communique is one of the pillars of U.S.-Sino

relations, and it is natural that the United States should abide by the obligations it provides.

In addition, this question is also related to the deep-seated feelings of the Chinese people. The infringement of China's territory and sovereignty for over a century prior to 1949 by various imperialist powers, is something that the Chinese people will never forget.

Of course, Lilley talked in his capacity as an ordinary person and this does not necessarily represent official U.S. policy. However, judging by the meaning of his remarks, it seems that he thinks that it is because Beijing is "limited" by the notion of sovereignty that China does not allow the Taiwan authorities to join some international organizations. But it is also possible to question: "The State of Texas has not joined any international organizations, has it? Should those who maintain that "sovereignty" is "outdated," see that the United States itself also adopts this "outdated" notion?

China is in fact more concerned about Taiwan than the United States is about Texas. China does not object to Taiwan joining some international activities or organizations, what it does object to is "two Chinas" or "one China, one Taiwan." As far as the GATT is concerned, it stands to reason that the question of China's membership should be solved first, before the question of Taiwan, which is an independent tariff region of China. It is not necessary to link this kind of question to the notion of sovereignty or a framework for reunification. If one assumes that Taiwan has a strong economic capability, and that the Taiwan issue can be changed into an international one, then why have the questions of California, Hawaii, and Texas, which also possess strong economic capabilities, not been changed into international ones?

### Remarks Called 'Hegemonist'

OW1108025891 Beijing Radio Beijing in English to Western North America 0400 GMT 10 Aug 91

[Report, with portions recorded, by station reporter Chen Yong, from the "Current Affairs" program]

[Text] A number of Taiwanese and overseas scholars have lodged a strong protest against an attempt by international hegemonic forces to keep the Chinese Mainland and Taiwan separated. The group of scholars, who are in Beijing to attend a three-day seminar on Mainland-Taiwan relations, believe that the reunification of the country is the common aspiration of the whole Chinese nation. Chen Yong has more:

[Begin recording] [Chen Yong] In a statement on Friday, the scholars pointed out that the international hegemonic forces have not abandoned their attempt to separate the two sides of the strait. The statement quotes James Lilley, former American Ambassador to China, as saying that the concept that the Chinese authorities could dominate Taiwan is outdated. The statement also

quotes Natale Bellocchi, president of the American Institute in Taiwan, as saying ("recognition) of Taiwan's separation has already been shaped. In protest to these remarks, the statement points out that they are likely to represent an American hegemonic attempt to interfere in China's internal affairs and to sabotage the integrity of China's territorial sovereignty. The statement says the conspiracy to separate China has become the biggest threat to peace in the Asian-Pacific Region. All the governments in the world should respect and recognize the legal reality that Taiwan is an inalienable part of China. The statement says it is the historical mission of the people on both sides of the Taiwan Strait to unify the country and rejuvenate the Chinese nation. The scholars also urge parties on both sides of the strait to adopt necessary steps to safeguard the integrity of China's territorial sovereignty and to open negotiations aimed at unifying the country under the principle of one China as well as to insure the mutual interests of both sides. As an immediate step, it urges the exchange of mail, trade, and air and shipping services across the strait. One of the scholars who made the statement was professor Xiong Jie from New York University. Xiong Jie lived in Taiwan for seven years before he went to the United States in 1957. In a speech at the seminar, he offered solutions for the removal of obstacles hindering unification.

[Xiong Jie] Precisely because the two sides have different economic systems with different economic performance, the two can complement each other. Not only that, the Mainland offers many natural resources which Taiwan needs. Furthermore, the Mainland offers a vast market for Taiwan's export-driven economy.

[Chen Yong] Xiong Jie says Taiwan authorities should recognize these advantages and work together with the Mainland leaders in the common interests of both sides. As for the time table, Xiong Jie says the longer the two sides wait, the more problems may arise to deflect the cause of reunification. He urges Mainland scholars to go to Taiwan to obtain firsthand knowledge of the mentality of the Chinese living there. Upon returning, they will be able to help the Mainland government work out details for the "one country, two systems" policy, taking into consideration the needs of the Taiwanese.

Another participant at the seminar was Wu Jiatong from the All-China Taiwanese Association. He says this is the first time so many distinguished scholars on the Taiwan issue have come together.

Wu Jiatong says the seminar, as a prelude to more changes, provided an opportunity for ("enhancing) mutual understanding. The seminar also has strengthened the belief that the Chinese nation will develop and be revitalized and that the country will be unified. Wu Jiatong says the participants hope to meet again next year in Taiwan. [end recording]

### U.S. Taiwan Policy Criticized

*HK1008084891 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0704 GMT 10 Aug 91*

[Report: "LIAOWANG OVERSEAS EDITION Carries Signed Article Urging 'No Interference in China's Internal Affairs'"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 10 Aug (ZHONGGUO XINWEN SHE)—The latest issue of LIAOWANG OVERSEAS EDITION, to be published next Monday [12 August], will carry an article signed by Bao Xin [7637 0207] in the "Letter From Beijing" column. The article is entitled "No Interference in China's Internal Affairs."

The article says that recently, some U.S. politicians have frequently talked about China's reunification and the future of Taiwan. They have brazenly advocated "one China, one Taiwan" and brutally interfered in China's internal affairs. Their remarks have been widely spread by some news media on the island and have produced very bad effects. They can be summarized into the following three main categories:

1. Attack the policy of "one country, two systems." Recently, "with a special mission," former U.S. Ambassador to China Lilley made a trip to Taiwan. In an interview with reporters in Taiwan, he said: "The CPC takes the policy of 'one country, two systems' as the only pattern for China's reunification. This is a high-handed way of doing things."

2. Boost the arrogance and courage of the "pro-independence forces in Taiwan. Bai Le Qi [4101 2867 1505], incumbent executive chairman of the American "Taiwan Association," preached a "Taiwan status independent of the mainland" at a public meeting.

3. Publicize the fallacy of "new development in the concept of sovereignty" to provide theoretical basis for the Taiwan authorities pursuing the "pragmatic diplomacy." Lilley claimed in Taiwan: "The sovereignty concept China imposed on Taiwan is outdated." "The concept should not be applied to Taiwan, and the United States should ignore it."

The article says the above arguments totally run counter to the three joint declarations signed by the Chinese and U.S. Governments. The U.S. Government stated: "It acknowledges China's position, that is: There is only one China; Taiwan is a part of China; and the PRC is the sole legal government representing China." In the three declarations, the two parties agreed that mutual respect for territorial integrity and sovereignty and noninterference in each other's internal affairs are basic principles governing Sino-U.S. relations.

The article continues: It is clear that some U.S. political figures are not ignorant about the basic principles governing Sino-U.S. relations. But why should they ignore them and express views to grossly interfere with China's internal affairs?

The article holds: This shows that there is indeed a force inside the United States that is unwilling to see the easing-up of tensions in the relations between the two shores of the strait and even more unwilling to see an earlier peaceful reunification of China. With a hegemonic motive, they have interfered in China's internal affairs, erroneously estimated the international political situation, and encroached upon the internationally recognized norm of mutual respect for sovereignty and territorial integrity by proceeding from their pragmatist viewpoint.

The article points out that the remarks made by some personages in U.S. political circles are by no means isolated, but are closely related to the political situation on Taiwan. Recently, the activities carried out by the pro-independence forces in Taiwan have run rampant. In Taiwan, the "rivalry between the pro-independence faction and pro-reunification faction" has further intensified. Some "Legislative Branch members" have put forward a motion calling for allowing Taiwan to "return to the United Nations" in the name of "Republic of China." A U.S.-based newspaper run by the Taiwan regime's "Information Bureau" published a political advertisement, asserting that Taiwan is willing to accept "temporary dual recognition by other countries." People should not lower their guard in the face of such a well-coordinated performance.

The article says: The great cause of reunifying China is an internal matter of the Chinese people and brooks no foreign intervention and interference. Given the drastic changes in the international situation, the Chinese people living on both shores of the strait should not be misled by the sweet words of foreigners but should display sincerity to each other, fend off interference, and join hands with each other to bring about an earlier peaceful reunification of their motherland.

## Northeast Asia

### Japan's Kaifu Visits, Holds Talks With Leaders

OW1008035091 Beijing XINHUA in English  
0216 GMT 10 Aug 91

[Text] Tokyo, August 10 (XINHUA)—Japanese Prime Minister Toshiki Kaifu left here this morning to start a five-day visit to China and Mongolia.

Kaifu is expected to hold talks with Chinese Premier Li Peng this afternoon on bilateral relations and international issues. During his stay in Beijing through Tuesday, he will also meet with Jiang Zemin, general secretary of the Chinese Communist Party, and President Yang Shangkun.

It is the first time that Kaifu has visited China in the capacity of the premiership, and he is also the first leader of the Group of Seven major industrialized nations to visit China in the past two years.

Kaifu will also deliver a policy speech at the China-Japan Youth Exchange Center.

After his visit to Beijing, Kaifu will travel to Ulaanbaatar on Tuesday for the first visit to Mongolia by a Japanese prime minister. Japan and Mongolia established diplomatic ties in 1972.

### Beijing Arrival Reported

OW1008053791 Beijing XINHUA in English  
024 GMT 10 Aug 91

[Text] Beijing, August 10 (XINHUA)—Japanese Prime Minister Toshiki Kaifu and his wife flew into Beijing at 14:07 [0507 GMT] today to start a four-day official visit to China at the invitation of Chinese Premier Li Peng.

This is Kaifu's first visit to China after assuming the premiership.

The distinguished Japanese guests were greeted at the airport by He Guangyuan, chairman of the Chinese Government Reception Committee and minister of machine-building and electronics industry.

At the planeside, He Guangyuan told Kaifu: "I warmly welcome you on behalf of Premier Li Peng."

Kaifu said: "Thank you."

Two Chinese children presented the Japanese prime minister and Mrs. Kaifu with bouquets.

Kaifu's entourage includes Japanese Foreign Minister Taro Nakayama, Diet members and government officials, totalling nearly 70.

On hand to greet the Japanese guests were Chinese Vice-Foreign Minister Xu Dunxin and Chinese Ambassador to Japan Yang Zhenya.

It was learned that Li Peng will preside over a ceremony welcoming the Japanese prime minister later this afternoon before holding talks with him. In the evening, Li Peng will host a banquet in honor of Kaifu, his wife and party.

### Li Peng Welcomes Kaifu

OW100801391 Beijing XINHUA in English  
0742 GMT 10 Aug 91

[Text] Beijing, August 10 (XINHUA)—Japanese Prime Minister Toshiki Kaifu and Mrs. Kaifu, who arrived here earlier today, were honored at a ceremony presided over by Chinese Premier Li Peng here this afternoon.

This was the first meeting between Kaifu and Li Peng since Kaifu assumed premiership.

When Kaifu arrived at the Plaza East of the Great Hall of the People, Li Peng stepped forward to warmly shake hands and exchange greetings with him.

Two Chinese children presented Prime Minister and Mrs. Kaifu with bouquets.

The ceremony began with the playing of the national anthems of the two countries by a military band and the firing of a 19-gun salute.

Accompanied by Premier Li Peng, Prime Minister Kaifu reviewed an honor guard of the three services of the Chinese People's Liberation Army.

Attending the ceremony were Li Peng's wife Zhu Lin, vice-chairman of the Chinese National People's Congress Standing Committee Chen Muhua, Chinese State Councillor and Foreign Minister Qian Qichen, Chairman of the Chinese Government Reception Committee He Guangyuan and Minister of Foreign Economic Relations and Trade Li Lanqing.

### **Li Peng, Kaifu Begin Talks**

OW1008092491 Beijing XINHUA in English  
0852 GMT 10 Aug 91

[Text] Beijing, August 10 (XINHUA)—Chinese Premier Li Peng and the visiting Japanese prime minister, Toshiki Kaifu, held talks in the Great Hall of the People here this afternoon.

At the beginning of the talks which started at 16:15 hours [0715 GMT], Li Peng extended a warm welcome to Prime Minister Kaifu and other distinguished Japanese guests on behalf of the Chinese Government and in his own name.

Li expressed his belief that Prime Minister Kaifu's current four-day official visit to China will give an impetus to the existing Sino-Japanese friendly relations of cooperation.

Kaifu said he is very glad to have the opportunity to meet Chinese leaders and hold talks with Premier Li Peng. He held that it is conducive to peace, stability and prosperity in the Asia-Pacific region and the world as a whole to strengthen political dialogue between Japan and China and coordinate their stand.

He said he has seen flood-afflicted areas in south China on his flight to Beijing. He expressed sympathy on this and hoped the people in the disaster areas to restore production and rebuild their homeland at an early date.

Prior to their talks, Li Peng, Kaifu and their aides posed for photographs before a huge painting of pines and cranes.

Taking part in the talks on the Chinese side were Qian Qichen, state councillor and foreign minister; He Guangyuan, chairman of the Chinese Government reception committee and minister of machine-building and electronics industry; Li Lanqing, minister of foreign economic relations and trade; and Yang Zhenya, Chinese ambassador to Japan.

Taking part in the talks on the Japanese side were Taro Nakayama, minister of foreign affairs; and Hiroshi Hashimoto, Japanese ambassador to China.

At press time, the talks are still going on.

### **Summary of Li-Kaifu Talks**

CM1208160091 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 12 Aug 91 pp 1, 4

[Text] Beijing, 10 Aug (RENMIN RIBAO)—This afternoon, at the Great Hall of the People, in a sincere and friendly [cheng zhi you hao 2052 2304 0645 1170] atmosphere, Chinese Premier Li Peng held official talks with Japanese Prime Minister Toshiki Kaifu, who had just arrived in Beijing. The two leaders also had an in-depth exchange of views on bilateral relations, the international situation and regional issues.

This was the first meeting between the heads of government of the two countries in the last two years and more. Both sides expressed their hope that Kaifu's current visit to China will further promote the development of Sino-Japanese relations.

At the beginning of the talks, Li extended a warm welcome to Prime Minister Kaifu and the other distinguished Japanese guests on behalf of the Chinese Government and in his own name.

Li expressed his belief that Kaifu's four-day official visit to China will give a "forceful impetus" to the existing Sino-Japanese friendship and cooperation.

Kaifu thanked Li for inviting him to visit China. He said he was delighted to have an opportunity to meet Li and exchange views with him on ways of strengthening Sino-Japanese cooperation and contributing to peace and stability in the Asia-Pacific region and in the world as a whole.

Then, the two leaders had in-depth talks on Sino-Japanese ties and international issues of common concern.

According to a Chinese Foreign Ministry spokesman, Kaifu said Japan-China friendship has always been a pillar of Japan's foreign affairs. Under the current international situation, he added, it is all the more important to increase Japan-China dialogues. The steady growth of Japan-China ties is of great importance for the stability and prosperity of the Asia-Pacific region and the world as a whole.

He pointed out that history shows bad relations between Japan and China are harmful not only to the people of the two countries, but also to peace and stability of the Asia-Pacific region. "I would like to take the opportunity of my current visit to further promote the development of the Japan-China relations," he said.

Kaifu said next year will see the 20th anniversary of the normalization of Sino-Japanese diplomatic relations. The Japanese side is willing to further expand the

bilateral ties, he added. Therefore, exchange of visits between the two countries' leaders is important, he noted.

In addition, he said, a series of activities to mark the anniversary will be held in the two countries, with mutual participation upon invitation.

Kaifu said Japan also plans to invite 1,000 Chinese young people to visit Japan in the coming five years.

Li Peng said that generally speaking, the China-Japan relations have grown smoothly since the normalization of their diplomatic ties. The two countries signed two historic documents, namely, the Sino-Japanese Joint Statement and the Treaty of Peace and Friendship Between China and Japan.

The two documents have played important role in guiding the growth of the two countries' relations, Li stressed. The basic guidelines contained in the documents are mutual respect for sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit, and friendly coexistence.

After 1989, Li said, Sino-Japanese ties once experienced some setbacks. "But, we are pleased to see that our bilateral relations have returned to normal. We hereby express our appreciation for the positive efforts the Japanese Government and Prime Minister Kaifu have made to restore and develop the bilateral relations," he said.

Li said China attaches importance to Sino-Japanese relations and is pleased to welcome the year of 1992, the 20th anniversary of the normalization of Sino-Japanese relations.

Li suggested that both China and Japan pay attention to the education of Sino-Japanese friendship tradition among the young people, making them aware of the fact that it is no easy job to develop the Sino-Japanese relations to the present level, "so as to ensure that such friendship can be carried on from generation to generation."

Li said the Chinese side appreciated the Japanese proposal that top leaders of the two countries exchange visits next year.

On the Japanese-Chinese economic and trade relations, Kaifu said that such relations have experienced "a steady growth" since the normalization of bilateral relations, adding that the trade volume of the two countries has increased by 20 times.

He said that the Japanese side is willing to continue its efforts to further strengthen and develop the bilateral economic and trade ties.

Li said that the economic and trade ties between the two countries have been developed well this year with China's import from Japan strikingly increasing.

To maintain this trend, Li said, the most important principle is equality and mutual benefit.

If Japan imports more from China, Li explained, China will be able to import more from Japan. He said China has a large population as well as a big potential market, whose capacity will be further expanded by the end of this century.

China hopes Japan to make further efforts in maintaining and increasing its proportion on the Chinese market, Li said.

On Japan's relations with Taiwan, Kaifu said that Japan will strictly follow the Japan-China Joint Statement and the Japan-China Treaty of Peace and Friendship in handling its relations with Taiwan.

There are only non-governmental business connections between Japan and Taiwan, which are unofficial and regional in nature, Kaifu said, adding that this policy has not been changed.

Li expressed appreciation for this stand of the Japanese side.

Dwelling on the establishment of new international order, Li Peng said that in the period when profound changes have been taking place in the international situation, the world is developing in the direction of multipolarization and the world configuration is at the juncture of the new replacing the old, the world people sincerely hope to establish a new order and new international relations which will be beneficial to world peace and development.

Li reiterated that China holds a new international political and economic order should not be controlled by a few big powers, but should be established on the basis of the five principles of peaceful co-existence. These principles have also been written in the China-Japan Treaty of Peace and Friendship. The nucleus of the principles is non-interference in each other's internal affairs and affairs of all countries to be handled by their people themselves.

Li said China considers that the United Nations should play its major role in building a new international political and economic order.

Kaifu expressed his agreement to Li Peng's view that the world is developing in the direction of multipolarization and that the United Nations should play an important role in the establishment of a new international order.

He told Li that in his meetings with leaders of other Western countries he often stressed that what the Asian countries need first is to develop their economy. The political stability could be achieved only with the economy developed and the people's living conditions improved. Therefore, he added, all countries should proceed from their own situation to settle their own problems.

On the situation in the Korean peninsula, Li Peng noted that the situation is developing in the direction of relaxation. The once suspended talks between premiers of the North and South of Korea will soon be restored and both the North and South are expected to join the United Nations in September. China is gratified at the positive development in the Korean peninsula situation, Li said.

Kaifu said that the entry into the UN of North and South Korea is beneficial to peace and stability in the peninsula. He hoped the talks between them would achieve a fruitful result.

On the Cambodian issue, Kaifu spoke highly of China's contributions in promoting its political settlement, and expressed his hope that Japan and China will continue to co-operate on this issue in the future.

Li said that satisfactory progress has been made in settling the Cambodian issue, and China hopes the trend for a political settlement of the issue will continue.

During the meeting, Kaifu also expressed appreciation on the Sino-British agreement for the construction of a new airport in Hong Kong, saying that this will help maintain prosperity and stability in Hong Kong.

Li reiterated that China will handle the Kong Kong issue according to the principle of "one country, two systems", saying this is a firm stand.

Li said that British Prime Minister John Major will visit China soon and sign with China the agreement on the new airport in Hong Kong.

"The prosperity and stability in Hong Kong will benefit not only China and Britain, but also Japan and the whole Asian-Pacific region," Li said.

At the beginning of the meeting, Kaifu said he has seen the severe floods China has suffered on his way to Beijing, and he expressed his sincere solicitude for the flood victims.

Kaifu announced that the Japanese Government has decided to provide another batch of emergency aid of 1.5 million U.S. dollars to China.

Li extended thanks to the Japanese Government and people for their sympathy and donation.

Briefing the visitors on the situation of the floods, Li said the Chinese Government and people are confident to overcome the difficulties brought about by the floods, by relying on their own efforts as well as the help of the international community.

Li said that the disaster will not affect the political stability in China, nor will it affect the momentum of China's continuous economic growth.

Kaifu expressed his belief that the Chinese people will surely overcome the difficulties.

Taking part in the talks on the Chinese side were Qian Qichen, state councilor and foreign minister; He Guangyuan, chairman of the Chinese Government reception committee and minister of machine-building and electronics industry; Li Lanqing, minister of foreign economic relations and trade; and Yang Zhenya, Chinese ambassador to Japan.

Taking part in the talks on the Japanese side were Taro Nakayama, minister of foreign affairs; Nobuo Ishihara, deputy chief of cabinet secretariat; and Hiroshi Hashimoto, Japanese ambassador to China.

#### **Li on Nuclear Treaty Participation**

CM1208145991 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 12 Aug 91 p 1

[Text] Beijing, August 10 (XINHUA)—Chinese Premier Li Peng announced here today that the Chinese Government has in principle agreed to participate in the nuclear non-proliferation treaty [NPT].

This is for the purpose of promoting comprehensive prohibition and thorough destruction of nuclear weapons, he explained.

Li made the announcement this afternoon during his talks with visiting Japanese Prime Minister Toshiki Kaifu in the Great Hall of the People.

He said China has always stood for nuclear non-proliferation, neither encouraging nor engaging in nuclear proliferation.

It is purely for the purpose of self-defense that China possesses a limited number of nuclear weapons, Li said, adding that China took the lead in proclaiming not to be the first to use such weapons.

#### **Spokesman on Nuclear Issue**

HK1108011891 Hong Kong SOUTH CHINA  
SUNDAY MORNING POST in English 11 Aug 91  
pp 1, 5

[From John Kohut in Beijing]

[Text] Beijing has decided to sign the Nuclear Non-Proliferation Treaty (NPT), a move apparently calculated to temper the U.S. Congress' opposition to renewal of China's Most Favoured Nation (MFN) trading status and to improve its relations with Western Countries.

Chinese Prime Minister Mr Li Peng announced his country's decision in principle to accede to the treaty during a meeting with Japanese Prime Minister Mr Toshiki Kaifu, who arrived in Beijing yesterday as the first leader of a major industrialised country to visit Beijing since the 1989 massacre.

The decision to sign the NPT "is for the purpose of attaining the end of complete prohibition and thorough destruction of nuclear weapons", said Mr Wu Jianmin, spokesman for the Chinese Foreign Ministry.

Previously, China had refused to sign the treaty, insisting its nuclear weapons were for self-defence only and that it was in any case abiding by the articles of the treaty.

"Now things have changed," Mr Wu said during a briefing on the meeting between the two prime ministers.

Mr Wu did not specify what factors had induced China to change its mind about the NPT. But it is thought pressure from Western countries, led by the United States, for China to control its exports of nuclear and other military technology was among its considerations.

Earlier this year the U.S. expressed concerns over reports China was offering Algeria technology which would enable it to build nuclear weapons.

Chinese military sales have been one of the key issues in the debate over whether the U.S. should renew China's MFN status.

When China would actually sign the treaty was not clear. Mr Wu said that the signing would come "in due course".

The decision did not come as a total surprise, as China had indicated it was giving the issue serious consideration.

However, the timing of China's announcement during Mr Kaifu's visit had not been expected.

Mr Wu said one of the reasons for the timing was that Japan had been the one nation to suffer from a nuclear attack.

With France having agreed to sign the treaty earlier this year, all of the major nuclear powers will be signatories to the NPT once China joins.

"The Nuclear Non-Proliferation Treaty can only be effective if there is universality of the regime," said Mr Sadaaki Numata, Mr Kaifu's spokesman.

There was no immediate response to the decision from the U.S.

But during a visit to Beijing in June, U.S. Secretary of State for International Security Affairs Mr Reginald Bartholomew said if China agreed to join the NPT, it "would be a major contribution to the world proliferation regime" with an impact which would go beyond the nuclear question, showing China's "commitment to a leadership role on non-proliferation".

Mr Kaifu also took the opportunity of his visit to ask China to co-sponsor a resolution Japan intends to present to the United Nations General Assembly in the autumn under which all transfers of conventional weapons would be reported to the UN—a resolution aimed at preventing the sort of regional arms race which led to the Gulf war.

Mr Li expressed a willingness to discuss the proposed resolution further with the Japanese, but expressed some

reservations, saying a number of points on the implementation of such a resolution had to be studied, according to Mr Numata.

Among the regional issues discussed was Hong Kong. Mr Kaifu said it was important for China as well as the Asia Pacific region that the territory continue to prosper. In response, Mr Li pledged Hong Kong's system of capitalism would be preserved after 1997.

#### Li on Arms Register, Other Issues

OW1008150991 Tokyo KYODO in English 1429 GMT  
10 Aug 91

[By Jocelyn Ford]

[Text] Beijing, Aug. 10 KYODO—Chinese Prime Minister Li Peng said Saturday that Beijing has decided in principle to sign the Nuclear Non-Proliferation Treaty, a Japanese Foreign Ministry official said.

Li made the comment in a meeting with Japanese Prime Minister Toshiki Kaifu, during which he did not specify any preconditions, the official said. Chinese spokesman Wu Jianmin said later that Beijing would sign the treaty unconditionally.

Among the five permanent members of the United Nations Security Council, China is the only one that had not yet agreed to sign.

France announced in June that it would join the treaty, which controls the spread of nuclear weapons to third countries.

Li also signalled that he would seriously consider a proposal by Kaifu to jointly submit a plan to the United Nations for a register to track the international arms trade.

Asked if he would join Japan, Britain and other countries in making the proposal, Li replied that there are many difficulties, but he would like to further discuss the matter with Japan.

Kaifu arrived earlier in the day to a 21-gun salute conducted in the center of Tiananmen Square, the site of the violent suppression of pro-democracy demonstrations two years ago.

Kaifu is the first leader of a major industrialized nation to set foot in China in the wake of the crackdown, which led major democracies to suspend high-level political contacts and economic aid.

In wide-ranging talks that lasted two-and-a-half hours, Kaifu told Li that the international community has a strong interest in China's progress in the areas of democratization and human rights.

"I hope you will introduce reforms in the political field as well as the economic field," Kaifu was quoted as saying.

In reply, Li said China is willing to discuss human rights issues with other nations, but on its own terms.

"China has a large population and is a developing country," said Li, the conservative premier who decided to crush the 1989 prodemocracy demonstrations by imposing martial law.

China last month accepted a human rights delegation from Australia, and the government has agreed to receive similar groups from France and Switzerland.

The Australian delegation said it was given only limited access to people who it believed were suffering from rights abuses.

Li told Kaifu that relations with Japan had suffered a partial setback after 1989, but that efforts by both countries had helped spur a recovery.

"I also highly appreciate the efforts of the Japanese Government and Prime Minister Kaifu to promote relations between China and the West," he was quoted as saying.

Kaifu has repeatedly stressed in international gatherings that China must not be "isolated" due to the 1989 killings.

The two leaders, meeting at the Great Hall of the People, agreed to mark next year's 20th anniversary of diplomatic normalization by arranging high-level exchanges.

Japan will also invite 1,000 Chinese youths to visit Japan over the next five years, Chinese Spokesman Wu Jianmin quoted Kaifu as saying.

Li responded coolly to Kaifu's reminder that, following the Persian Gulf war, Japan has decided to base aid dispersals in part on the recipient's spending on arms, and weapons export record.

"China does not believe its defense expenditures are particularly large," Li was quoted as saying.

The premier said China's arms exports are aimed at boosting defensive capabilities, not offensive capabilities.

China takes the regional balance of power into consideration in its exports, he said.

China exports around 2 billion dollars worth of arms each year, and is the third largest arms exporter to the developing world, following the Soviet Union and the United States.

Beijing's 1991 military budget was up 13 percent from the previous year, while the overall budget rose 5 percent.

Li's response did not deter Kaifu from announcing Japan's plans to provide a total of 130 billion yen in

loans for major infrastructure projects as the fiscal 1991 portion of an 810 billion yen loan program planned for 1990-1995.

The package, pledged in 1988, was resumed last fall after a year's suspension in the aftermath of the Tiananmen Square crackdown.

On regional issues, Li urged Kaifu to speed up negotiations on normalizing relations with North Korea.

Kaifu praised North Korea for beginning to take a more "realistic" stance. But he said Pyongyang must implement the safeguards accord it has promised to sign providing for outside inspection of its nuclear facilities.

The Japanese-North Korean talks, which formally got under way in January, are due to be resumed later this month in Beijing.

Shifting to the Cambodian situation, Li and Kaifu agreed to cooperate in efforts to bring lasting peace to that country.

They also found common ground on transportation aid to landlocked Mongolia, and the need to maintain a free economy in Hong Kong after the British colony is returned to China in 1997.

On Taiwan, Li said Japan had occasionally displayed an "unfavorable" attitude.

The Japanese Foreign Ministry official denied that the comment was in reference to rumors that Liberal Democratic Party kingpin Shin Kanemaru had invited Taiwanese President Li Teng-hui to Japan.

Kanemaru has denied the rumors, which surfaced last month.

Kaifu told Li that Japan has no intention of changing its "one-China" policy. Japan has no relations with Taiwan, which Beijing considers part of China.

On broader global issues, the two leaders agreed that, following the decline of East-West tensions, the world is progressing from a bipolar to a multipolar configuration.

Under these circumstances, the United Nations should play a greater role, they concurred.

Kaifu assured Li that there is no possibility that Japan would reemerge as a military power.

Kaifu is to deliver a policy speech Sunday, and meet with Communist Party General Secretary Jiang Zemin before leaving for an overnight stay in Mongolia on Tuesday.

He is slated to return to Tokyo on Wednesday.

### **Yen Loan Reportedly Discussed**

*OW1008140291 Tokyo NHK General Television Network in Japanese 1000 GMT 10 Aug 91*

[Text] Prime Minister Kaifu, who is the first major Western leader to visit China since the Tiananmen incident, held summit talks with Chinese Premier Li Peng for the first time in three years. At the summit talks, the prime minister told the Chinese premier that Japan would support China's reform and open-door policies.

[Unidentified NHK correspondent in downtown Beijing] A special plane with Prime Minister Kaifu and his entourage on board descended while over Shanghai to observe areas hit by the floods. Prime Minister Kaifu was greeted by Chinese leaders at the Beijing airport and was then whisked away to downtown Beijing. The prime minister and Premier Li Peng attended a welcome ceremony held in the Great Hall of the People at 1600.

At the Great Hall of the People, Prime Minister Kaifu held talks with Premier Li Peng. At the outset of the talks, Prime Minister Kaifu said that he would like to offer his heartfelt condolences to victims of the flood, and that the Japanese Government would not spare its major efforts to help China repair damage caused by the floods. He formally notified the Chinese premier that the Japanese Government will provide \$1.5 million, or 200 million yen, in emergency relief aid to China.

In response, Premier Li Peng expressed his gratitude for the prime minister's condolences, and indicated that in his view, Sino-Japanese relations, which had remained awkward since the Tiananmen incident in September 1989, had been restored by Prime Minister Kaifu's visit to China. The premier called the prime minister's visit to China significant.

After the summit talks, Prime Minister Kaifu is to attend a welcome banquet hosted by Premier Li Peng. At present, no details from the summit talks are available. Prime Minister Kaifu is believed to have stated at the talks that the Japanese Government would support China's reform and open-door policies by providing a third yen-denominated loan, and asked that the Chinese Government cooperate in restricting the export of Chinese-made weapons. Attention here in Beijing is focused on how Premier Li Peng will respond to this request at the talks.

### **Notes on Cultural Ties Signed**

*OW1008130691 Beijing XINHUA in English 1017 GMT 10 Aug 91*

[Text] Beijing, August 10 (XINHUA)—The Chinese and Japanese Governments signed and exchanged notes on cultural co-operation here this afternoon.

According to the notes, the Japanese Government will provide gratis a sum of 49 million Japanese yen for the China art gallery to purchase Japan-made cultural equipment.

Chinese Premier Li Peng and visiting Japanese Prime Minister Toshiki Kaifu were present at the signing ceremony, which was held at the Great Hall of the People this afternoon.

He Jingzhi, acting minister of culture of China, and Taro Nakayama, Japanese minister of foreign affairs, signed the notes.

### **Li Peng Hosts Banquet**

*OW1008130191 Beijing XINHUA in English 1238 GMT 10 Aug 91*

[Text] Beijing, August 10 (XINHUA)—Japanese Prime Minister Toshiki Kaifu, his wife and their party were honored at a banquet given by Chinese Premier Li Peng in the Great Hall of the People here this evening.

Present on the occasion were Vice-Chairman of the Standing Committee of the National People's Congress Chen Muhua, Vice-Premiers Tian Jiyun, Wu Xueqian, Zou Jiahua and Zhu Rongji, State Councillors Chen Xitong and Qian Qichen.

The banquet started with the playing of national anthems of Japan and China. Chinese and Japanese melodies were played during the banquet.

Before the banquet, Prime Minister Kaifu shook hands with Chen Muhua, Tian Jiyun, Wu Xueqian, Zou Jiahua, Zhu Rongji, Chen Xitong, Qian Qichen and other Chinese officials present at the banquet. Later, Li Peng gave Kaifu a brief introduction to the Great Hall of the People. Li Peng's wife Zhu Lin and Mrs. Kaifu had photographs taken together in front of a huge tapestry.

### **Japanese Emperor Invited To Visit**

*OW1008160591 Tokyo KYODO in English 1438 GMT 10 Aug 91*

[Text] Beijing, Aug. 10 KYODO—Chinese Prime Minister Li Peng told Prime Minister Toshiki Kaifu on Saturday that he would like Emperor Akihito to visit China next year to mark the 20th anniversary of normalized relations.

Kaifu told his host at a welcoming banquet that Japan will take the request into consideration.

Chinese Foreign Minister Qian Qichen extended an invitation to Emperor Akihito to visit China when he met with Japanese Foreign Minister Taro Nakayama in Tokyo in June.

Japanese Government and political leaders have indicated, however, that they may give precedence to an invitation to visit South Korea received a year ago.

No date has been set for the South Korean visit.

Emperor Akihito was formally enthroned in November last year. He will travel to Thailand, Malaysia and Indonesia in September on his first official overseas tour as emperor.

### **Li Tieying Hosts Breakfast**

*OW1108003091 Beijing XINHUA in English  
2343 GMT 10 Aug 91*

[Text] Beijing, August 11 (XINHUA)—Chinese State Councillor and Minister in Charge of the State Education Commission Li Tieying and the visiting Japanese prime minister, Toshiki Kaifu, had breakfast together at the Diaoyutai State Guesthouse here today.

Li and Kaifu had met on several occasions before. They had a cordial conversation in a friendly atmosphere during the breakfast today.

### **Kaifu Praised for Support**

*OW1108072691 Tokyo KYODO in English 0711 GMT  
11 Aug 91*

[Text] Beijing, Aug. 11 KYODO—Chinese State Councillor Li Tieying Sunday praised Japanese Prime Minister Toshiki Kaifu for his support of China despite strong international criticism of Beijing after the military crackdown on a pro-democracy movement in Tiananmen Square in June 1989.

In a breakfast meeting with Kaifu, Li said Kaifu has made great efforts to develop friendly relations between Japan and China, especially in a difficult period, said a Japanese official traveling with the prime minister.

Li was quoted as saying exchanges between the two nations should be strengthened.

Kaifu arrived in Beijing on Saturday and met Chinese Premier Li Peng later in the day to fully restore Japan-China relations strained by the Tiananmen incident.

Kaifu is the first leader from a major Western nation to visit China after the Chinese military crushed a pro-democracy rally in the square June 4, 1989.

Japan suspended economic assistance to China in line with international sanctions imposed to protest the use of force to suppress the protesters.

Last November, however, Japan led the major industrialized nations in lifting the freeze on aid to China.

### **Kaifu Lays Wreath in Tiananmen**

*OW1108012191 Beijing XINHUA in English  
0042 GMT 11 Aug 91*

[Text] Beijing, August 11 (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu laid a wreath at the Monument to the People's Heroes at the Tiananmen Square here this morning.

The ribbon on the wreath bore the inscription: "The heroes of the people are immortal."

The Japanese prime minister was accompanied on the occasion by He Guangyuan, chairman of the Chinese Government Reception Committee and minister of machine-building and electronics industry.

### **Further on Wreath-Laying**

*OW1108060191 Tokyo KYODO in English 0546 GMT  
11 Aug 91*

[Text] Beijing, Aug. 11 KYODO—Japanese Prime Minister Toshiki Kaifu became the first leader of a major industrialized nation to tread on the battle-scarred pavements of Tiananmen Square here Sunday when he laid a wreath at the monument to revolutionary martyrs. Emerging from a black limousine at the foot of the towering stone obelisk, Kaifu, flanked by his wife Sachiyo, somberly mounted the steps of the monument, crossing over fresh concrete slabs used to replace stones wrecked under the weight of tanks that rolled into the square June 4, 1989.

The apron of the monument, plunked in the center of Tiananmen Square, served as headquarters for the pro-democracy demonstrators and was the last stronghold before they were dispersed under fire of the People's Liberation Army.

On his retreat from the monument, Kaifu turned away when accompanying reporters queried him on his sentiments following the ceremony, riveting his gaze instead on the large portrait of Mao Zedong hung on the [word indistinct] gate.

Kaifu, who arrived here Saturday on a four-day visit, in meeting with Chinese Premier Li Peng Saturday avoided making direct reference to the military crackdown or the scores of activists who are being persecuted for participating in the democracy movement.

After the ceremony authorities reopened the square to the public and Sunday sightseers came streaming toward the statue to get a close-up look at the floral wreath.

Huang Yi and Liu Guiyun, a newlywed couple visiting from the northern province of Jilin, said they hope for good relations with Japan.

Asked about the Tiananmen Square crackdown, they said they support democracy but also support socialism.

"This may be a contradiction but it's the best way for the people," Liu said.

Kaifu later visited a rehabilitation center for the disabled.

He is to give a major policy speech at the Sino-Japanese Youth Exchange Center in the afternoon.

### Kaifu Gives Policy Speech

OW1108135291 Beijing XINHUA Domestic Service  
in Chinese 1029 GMT 11 Aug 91

[By reporter Xin Huai (6580 2037)]

[Text] Beijing, 11 Aug (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu delivered a policy speech entitled "A New World and Japanese-Chinese Relations" at the Sino-Japanese Youth Exchange Center this afternoon.

In the speech, Prime Minister Kaifu reiterated the resolve to develop Japanese-Chinese relations of peace and friendship solidly, and said that he pinned his hopes on the youth of the two countries. He said: The Beijing Sino-Japanese Youth Exchange Center was jointly built on the firm belief of the Japanese and Chinese Governments that Japan and China will surely continue to develop their relations of peace and friendship steadily and solidly in the 21st century through exchanges between their youths.

The speech session was sponsored by the China-Japan Friendship Association. State Vice President Wang Zhen, who is also honorary president of the China-Japan Friendship Association; Chen Muhua, vice chairman of the National People's Congress Standing Committee; and Zhou Peiyuan, vice chairman of the National Chinese People's Political Consultative Conference Committee, attended the session. Sachiyo Kaifu, wife of Prime Minister Kaifu, and Taro Nakayama, Japanese minister of foreign affairs, attended the session as invited guests.

The session was presided over by Sun Pinghua, president of the China-Japan Friendship Association. In his welcoming speech, Zhou Peiyuan said: Sharing many similarities in a wide range of areas, China and Japan have extremely favorable conditions for developing friendship and cooperation. Through common efforts on the two sides, it is entirely possible to open up a better future for Sino-Japanese friendship. He expressed the hope that Kaifu's visit to China will mark a new beginning toward development of a new breadth and depth in the cause of Sino-Japanese friendship.

Speaking to over 800 attendees from all walks of life in China, Kaifu said: Japan and China normalized their relations 19 years ago, ending their previously abnormal relations and taking the first step toward the establishment of new friendship. It was an epoch-making event in the two countries' histories. He stated: "The long history of friendship between Japan and China contains an unfortunate period for which Japan should conduct an in-depth self-examination. Both sides need to make unremitting efforts and display boundless warmheartedness in order to overcome this historical period and to develop their relations into true friendship and cooperation." He said: Relations between the two countries developed steadily afterward, thanks to the signing of a peace and friendship treaty, progress in China's reform

and opening policies, and tireless efforts by both countries. Developments in recent years have far surpassed popular expectations.

Kaifu said: To foster mutual understanding and trust among countries is by no means easy. And the path toward it is never even. Japan and China have encountered various difficulties since they normalized their relations. After quoting the line "With the constancy and solidity of a boulder, friendship is but in name and brings no gain" from an ancient poem, he said: "Today, relations between the two countries are entering a phase of mature relations based on good-neighbornliness and friendship. I personally will follow the teaching of this ancient poem in the future when working to render impregnable the great wall of relations between the countries built with the blood and sweat of countless people. I will also work to further develop the wall and infuse my blood into it."

Kaifu stated: "Next year, Japan and China will mark the 20th anniversary of normalizing their relations. The year will be an important one for reviewing Japanese-Chinese relations in the past and assessing their prospects in the 21st century. During my meeting with Premier Li Peng, both sides expressed a common determination to turn this memorable year into a new crucial year, and to work to achieve full confidence during the year in assessing the broad prospects for unshakable Japanese-Chinese relations in the 21st century."

He noted: The next two decades should be shaped by Japanese and Chinese youths. Mature friendly and cooperative relations can be built on the basis of fully understanding each other's strong and weak points through direct exchanges and mutual learning among young people.

Kaifu said emphatically: Stable friendly and cooperative relations between Japan and China are one of the extremely important prerequisites for peace and stability in the Asia-Pacific region. He said: China's reform and open policies combine the economic vigor of China and the rest of the Asia-Pacific region. They are extremely significant to the future development of China and the Asia-Pacific region. He indicated that Japan will continue to increase its support of China's reform and open policies.

Kaifu noted: It is necessary to first settle the existing and outstanding disputes and confrontations in order to achieve peace in the Asia-Pacific region.

Kaifu maintained that the Cambodian problem is a matter of extreme urgency that needs to be solved immediately. He expressed his view on the Chinese Government's tremendous role in handling the Cambodian problem. He said: In order to solve the remaining important problems as soon as possible and achieve permanent peace in Cambodia, the close cooperation between Japan and China and their simultaneous efforts to continuously support Prince Sihanouk will be even more important than usual.

Speaking of the Korean problem, Kaifu said: Japan's principle is to support the progress of the South-North dialogues and the actions taken for the peaceful reunification of South and North. Meanwhile, Japan will continue to cooperate closely with relevant countries to do its best to ease the tension on the Korean peninsula.

In his speech, Kaifu also expressed his concern over the matters of China taking over Hong Kong from Great Britain smoothly, and the sustained prosperity of Hong Kong.

Speaking of the establishment of a new international order, Kaifu said: Japan intends to play an active role in international affairs. However, "this will never lead Japan back to the path towards a military power that threatens its neighboring countries."

He emphatically said: 1) With our deep introspection regarding the war in the past, Japan has been reborn as a nation for peace. The Japanese nation is determined never to wage war again. 2) Japan will hold on to a moderate defense system and always maintain its basic singularly defensive posture while upholding the principle of civil officials controlling the military on the basis of its Constitution for peace.

He spoke highly of Li Peng's announcement yesterday that China had, in principle, decided to accede to the Treaty on the Nonproliferation of Nuclear Weapons. He said that this would be, for China, a step of epoch-making significance toward achieving the common goal of the international community by strengthening the system of nonproliferation of nuclear weapons.

Prime Minister Kaifu went to Tiananmen Square to lay a wreath at the Monument to the People's Heroes this morning. On the satin ribbon attached to the wreath was a phrase reading: "Eternal glory to the people's heroes!"

### KYODO 'Gist' of Speech

*OW1108075491 Tokyo KYODO in English 0730 GMT 11 Aug 91*

[Text] Beijing, Aug. 11 KYODO—Gist of Japanese Prime Minister Toshiki Kaifu's policy speech.

### Japan-China Relations

- There was an unfortunate period, for which Japan should deeply reproach itself.
- The growth of Japan-China contacts provides a basis for the further strengthening of mutual understanding and trust.

### Asia-Pacific Affairs

- Stable, friendly, and cooperative relations between the two countries are an essential prerequisite for ensuring peace and stability in the Asia-Pacific region.

- China's reform and openness policies, particularly the strategy of coastal development, has great significance for the future development of China and the Asian-Pacific region.

- Every effort must be made to promote economic development (to ensure peace and prosperity in Asia). This in turn will permit additional economic development, which makes social growth and further political advancement possible.

- We must first endeavor to resolve these issues (the Cambodian problem, the division of the Korean peninsula, and the issue of the northern territories between Japan and the Soviet Union), for they engender mutual mistrust among the peoples of the region.

- In the years following 1997, it will be essential not only for China's modernization endeavors but also for the prosperity of the Asian-Pacific region for Hong Kong to continue to enjoy its current economic freedom and maintain its prosperity.

### New World Order

- Economic, scientific, and technological development is a factor of increasing importance in making a strong and resilient nation.

- Military strength alone is no longer sufficient to shape the course of world affairs.

- The power balance between major nations are changing; the world is clearly transforming itself from a bipolar to a multipolar structure.

- Ethnic and religious rivalries, which have been a sources of conflict throughout human history, are surfacing again, with the dissipation of East-West confrontation.

- The new international order we seek is the one where peace and security are ensured, where freedom and democracy are respected, and where world prosperity is guaranteed through open market economies.

- Japan needs to contribute actively to world peace not only in financial and material terms but also in personnel terms.

- I hope that China will play not only a political role appropriate to its position as a permanent member of the U.N. Security Council, but also a constructive role in tackling the issues of arms control and disarmament.

- Japan intends to continue its active cooperation with China to find solutions to global environmental problems.

- Whatever the nation, steadily undertaking political and economic reform based on the principle of politics for the good of its citizens is a path that will in the end strengthen the nation's ties with the rest of the world.

**Praises Nuclear Treaty Decision**

*OW1108065791 Beijing XINHUA in English  
0613 GMT 11 Aug 91*

[Text] Beijing, August 11 (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu said today that China's decision in principle to join the nuclear Non-Proliferation Treaty (NPT) constituted "an epochal step on China's part toward the common goal of the international community to strengthen the regime of nuclear non-proliferation."

He said China's announcement of this decision during his visit here demonstrated the importance China attaches to its ties with Japan. "We can be justifiably proud of this as a practical example of the way in which our two countries cooperate with each other to contribute toward building a world order and enhancing world security," he added.

This decision by China is certain to encourage other non-signatories to become parties to the NPT, he said, adding, "I also firmly hope that it will lead to the long-term extension of the treaty beyond 1995."

He commended China's participation in the meeting of the five countries on arms control held in Paris last month. "As China and Japan discuss arms control and disarmament at various governmental levels," he said, "I am heartened to note that each successive meeting adds to the substance of the dialogue and there are growing areas of commonality."

**Hopes For Growing Bilateral Ties**

*OW1108070991 Beijing XINHUA in English  
0619 GMT 11 Aug 91*

[Text] Beijing, August 11 (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu said here today that he intends not only to cement Japan-China ties on the basis of the resolute efforts of many people, but also to make them grow further.

In an address at the Sino-Japanese Youth Exchange Center this afternoon, Kaifu said the establishment of normal diplomatic ties between Japan and China in 1972 was an epoch-making event in the two nations' histories.

He pointed out that there was an unfortunate period, for which Japan should deeply reproach itself, in the long history of friendship between Japan and China. It took both nations' steadfast efforts and boundless will to transform the bilateral relationship into one of true friendship and cooperation.

He said the bilateral relations improved steadily thanks to the signing of the treaty of peace and friendship between Japan and China and to the progress of China's reform and open policies. The exchanges and contacts between the two countries provide a basis for the further strengthening of mutual understanding and trust, he added.

Kaifu said although there have been a number of difficulties encountered by the two nations since the normalization of their diplomatic relations, Japan and China are now realizing mature, friendly and good-neighborly relations. Bearing in mind the teaching of a classical Chinese poem, "Without the constancy and solidity of a boulder, friendship is but in name and brings no gain," he said, "I intend not only to cement our bilateral ties on the basis of the resolute efforts of many people, but also to make them grow further."

He noted that 1992 will mark the 20th anniversary of normalized Japan-China relations. "In our talks," he said, "Premier Li Peng and I have jointly confirmed our desire to make 1992 a year of new departure to underscore our confidence that Japan-China relations will continue to develop solidly into the 21st century."

Kaifu stressed the importance of the two countries' young people in future development of bilateral relations and hoped for the strengthening of exchanges between them through a variety of forms.

He also said that China's reform and open policies are beneficial not only to Japan and China, but also to the world as a whole. He made clear that Japan will extend further cooperation to China's reform and open policies.

**Cooperation on Arms, Democracy Seen**

*OW1108074091 Tokyo KYODO in English 0724 GMT  
11 Aug 91*

[By Jocelyn Ford]

[Text] Beijing, Aug. 11 KYODO—Japanese Prime Minister Toshiki Kaifu in a major policy speech Sunday spelled out three areas for future cooperation with China—arms control, democracy and human rights, and environmental protection.

The power balance between major nations is changing as the world moves toward a multipolar structure, Kaifu told a Beijing audience of leaders from government, academia, and industry. "The time has come for Japan and China to contemplate their relationship in the broader global context," he said.

Kaifu welcomed China's decision announced during his visit to join the Nuclear Nonproliferation Treaty, calling it a demonstration of "the importance China attaches to its ties with Japan." "We can be justifiably proud of this as an example of the way in which our two countries cooperate with each other to contribute toward building a world order and enhancing world security," Kaifu said.

Following Saturday's announcement, Chinese Government spokesman Wu Jianmin said the announcement was made during Kaifu's visit in part because of Japan's experience as the only nation to be subjected to nuclear attack. He declined to specify other reasons.

Kaifu in the speech expressed strong hope that China would also cooperate with Tokyo's proposal for a U.N. system for monitoring the international arms trade.

In Saturday's talks, the Chinese premier remained non-committal but said he would like to discuss further with Japan details of the proposal which is intended to shed light on arms sales between countries.

In a muffled plea for greater democratization, Kaifu said that although government institutions vary from nation to nation depending on factors such as economic development and history, politics should focus on allowing citizens to develop their full potential.

"There should be complete agreement on the need to...understand accurately the will of the people and to represent that will in the political process," he said. He avoided any direct reference to the 1989 suppression of pro-democracy demonstrators in Tiananmen Square.

Kaifu is the first leader of a major industrialized country to visit China since the June 4, 1989, crackdown frostet China's relations with Japan and the West.

A Foreign Ministry official accompanying Kaifu on his four-day visit here said the killings were not mentioned because there is no need to "rub salt into the wound."

Pledging Japan would never reemerge as a military threat, Kaifu urged China to play a constructive role in arms control and disarmament.

Japan does not possess offensive aircraft carriers or long-range strategic bombers, he said. "With our sense of sincere contrition at the past war, we have truly been reborn as a nation for peace," Kaifu said.

Noting that China is likely to account for 10 percent of the world's growth in energy consumption by the end of the century, Kaifu pledged to help China in the area of pollution control.

He also promised continued support for China's policies of economic reform and openness, which he said could enhance China's standing in the world.

Kaifu lauded China's role in trying to establish a lasting peace in Cambodia and said such actions are bound to give the world "an even stronger impression of China's international importance."

Japan has a keen interest in the future of Hong Kong, Kaifu said, and it is essential for the prosperity of both China and the Asia-Pacific region that the British colony continue enjoying economic freedom after its return to China in 1997.

Kaifu professed his belief in a process whereby economic prosperity leads to improved living standards and political stability. "This is the pattern that was followed by those Asian developing nations that have recently undergone rapid economic growth," he said.

Kaifu used the site of his speech Sunday, the Sino-Japanese Youth Exchange Center, to stress the importance of improving understanding among the youth of the two nations as they near the 20th anniversary of the 1972 agreement to normalize relations. "The Japanese and Chinese youth can effectively set about (shaping the next 20 years of relations) if each has a correct understanding of the situation in the other's country," he said.

Japan's wartime atrocities are common knowledge among Chinese youth but in Japan the subject is usually glossed over in schools.

Prior to the speech, Kaifu spent the morning visiting a rehabilitation center for the handicapped.

He is scheduled to meet Communist Party General Secretary Jiang Zemin and President Yang Shangkun on Monday before departing Tuesday for a two-day visit to Mongolia.

### 'Modest Defensive Posture' Affirmed

*OW1108070291 Beijing XINHUA in English  
0614 GMT 11 Aug 91*

[Text] Beijing, August 11 (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu said today that although Japan intends to continue to play an active role in world affairs, this will never place Japan on a path toward becoming a military power that will threaten its neighbors.

Addressing a gathering at the Sino-Japanese Youth Exchange Center here this afternoon, Kaifu said. "With our sense of sincere contrition at the past war we have truly been reborn as a nation for peace. The Japanese people are determined never again to make war."

He said Japan intends to maintain a modest defensive posture. "Japan's singularly defensive posture is not something that will change in the future," he added.

Kaifu also set forth his thinking on a new international order. He said he hopes Japan and China will strengthen cooperation in international affairs, including pollution control and environmental protection.

He told his audience of more than 800 people from various circles here that "year by year, our interdependence increases. It is therefore vital that all nations actively join together in the project of lifting civilization to a higher level."

### Views Cambodian, Other Issues

*OW1108073391 Beijing XINHUA in English  
0620 GMT 11 Aug 91*

[Text] Beijing, August 11 (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu stressed here today that stable, friendly and cooperative relations between Japan and China are an essential prerequisite to ensuring peace and stability in the Asian-Pacific region.

The prime minister said in an address to 800 Chinese personages that the cooperative relations between the two countries have meant for China that its economy is becoming more integrated with the Asian-Pacific economy, which is the most dynamic in the world.

Kaifu said that as new opportunities arise for China and other Asian-Pacific countries to develop together, there develops a new role for China to contribute to the stability and prosperity of the region.

From Japan's perspective, he said, "its cooperation with China not only advances its neighbor's stability and economic development, but, through that process, expands Japan's contribution to the stability and prosperity of the Asian-Pacific region as a whole."

In order to ensure peace and prosperity in Asia, Kaifu said, first, every effort must be made to promote economic development, which will bring about improved living standards and political stability.

"This in turn will permit additional economic development, which makes social growth and further political advancement possible," he added.

The Japanese prime minister noted that the settlement of the Cambodian issue is a matter of urgent priority, and China's contribution to peace was remarkable.

He said that it will be all the more important for Japan and China to cooperate ever more closely, support Prince Norodom Sihanouk, and do their utmost to solve promptly the remaining issues so as to realize a lasting peace in Cambodia.

Speaking about the Korean issue, Kaifu said Japan intends to support increased dialogue between North and South Korea and the movement towards a peaceful unification of the Korean peninsula.

Furthermore, he added, "Japan will do all it can to ease tension on the Korean peninsula in close cooperation with the countries concerned."

He said that Japan intends to continue negotiations towards the normalization of its relations with the Democratic People's Republic of Korea.

As to Hong Kong issue, he said, Japan strongly hopes the governments of China and the United Kingdom to make further efforts in ensuring a smooth transfer of Hong Kong in 1997.

Kaifu said, "We hope that Prime Minister John Major's visit to China will accelerate the two nation's efforts to enable the transfer preparations to proceed smoothly."

"Japan welcomes the agreement reached between the governments of China and the United Kingdom regarding the construction of a new airport in Hong Kong," he said.

### Kaifu Given Honorary Doctorate

OW1108125891 Beijing XINHUA in English  
1146 GMT 11 Aug 91

[Text] Beijing, August 11 (XINHUA)—A Chinese university today conferred the title of honorary professor on visiting Japanese Prime Minister Toshiki Kaifu at a special ceremony held in the State Guesthouse here.

Wei Youhai, president of Shenzhen University in the Special Economic Zone of Shenzhen in south China, presented the Japanese prime minister with the certificate and a university badge at the ceremony.

Wei spoke highly of Kaifu's contributions to Sino-Japanese friendship and his care for the university.

The Japanese prime minister expressed thanks for the honor. He took up the brush and wrote four characters on the spot, reading education is boundless.

As minister of education, Kaifu visited the Shenzhen University in March 1985 and showed care for the university from then on, keeping regular contacts with it, giving it books and receiving its delegations.

Mrs. Sachiyo Kaifu attended the ceremony.

Present were Chinese Vice-Minister of the State Education Commission He Dongchang, Shenzhen Mayor Zheng Liangyu, and other officials from China and Japan.

### Friendship Group Hosts Reception

OW1108135791 Beijing XINHUA in English  
1330 GMT 11 Aug 91

[Text] Beijing, August 11 (XINHUA)—Visiting Japanese Prime Minister Toshiki Kaifu, his wife and the entourage were entertained at a grand reception hosted by the China-Japan Friendship Association here this evening.

The reception was designed to give Kaifu "a relaxed evening" amidst his tight schedule, as association president Sun Pinghua put it. No formal speeches were made.

Chinese Vice-President Wang Zhen was among those present on the occasion, along with leading officials of relevant Chinese departments.

During the reception, Kaifu was presented with a portrait of himself painted by a Chinese artist.

At the close of the reception, Sun Pinghua, speaking on behalf of all the Chinese hosts, expressed happiness with the success of Prime Minister Kaifu's visit and the continuous growth of the Sino-Japanese friendship.

**Qian Breakfasts With Nakayama**

*OW1208004491 Beijing XINHUA in English  
2343 GMT 11 Aug 91*

[Text] Beijing, August 12 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen had breakfast together with Japanese Minister of Foreign Affairs Taro Nakayama at the Diaoyutai State Guesthouse here today [12 August].

At the breakfast, they exchanged views on international issues of common concern.

The Japanese foreign minister is accompanying Prime Minister Toshiki Kaifu on his China visit.

**Qian on Nuclear Weapons Stance**

*OW1208042791 Beijing XINHUA in English  
0400 GMT 12 Aug 91*

[Text] Beijing, August 12 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen reiterated China's consistent stand on nuclear weapons when he had breakfast together with Japanese Foreign Minister Taro Nakayama here today.

Qian extended congratulations to visiting Japanese Prime Minister Toshiki Kaifu on his address entitled "Japan-China Relations in a New World" yesterday. The address was very successful, Qian said.

Nakayama spoke highly of China's decision in principle to join the Nuclear Non-Proliferation Treaty.

Qian Qichen said China understands Japan's concern over the issue of nuclear weapons, because Japan is the only country so far to have suffered damages by nuclear weapons.

Qian reiterated China's consistent stand on nuclear weapons:

- China stands for comprehensive prohibition and thorough destruction of nuclear weapons;
- China possesses a limited number of nuclear weapons purely for the purpose of self-defense;
- China will never be the first to use nuclear weapons, nor will it ever use them against countries without nuclear weapons; and
- China stands for nuclear non-proliferation.

Taro Nakayama expressed his appreciation for China's stand.

In view that contacts between China and Japan will increase following Japanese Prime Minister Kaifu's current visit here, the two foreign ministers agreed that the two foreign ministries will keep close ties in the future.

Qian and Nakayama also exchanged views on bilateral relations and other international issues of common concern.

**Nakayama on Arms Register**

*OW1208030191 Tokyo KYODO in English 0206 GMT  
12 Aug 91*

[Text] Beijing, Aug. 12 KYODO—Foreign Minister Taro Nakayama told Chinese counterpart Qian Qichen on Monday that the U.N. register of arms should be applied evenly to both major powers and small countries, a Foreign Ministry official said.

Nakayama, outlining three principles of Japan's proposal for a United Nations register for tracking arms deals, said that the purpose of the system is to boost international confidence and that as many countries as possible should be included, the official said.

Nakayama explained Japan's position in writing, saying he feared that there had been "misunderstandings" between Prime Minister Toshiki Kaifu and Chinese Premier Li Peng when they discussed the proposal on Saturday.

The official, requesting anonymity, said the paper was issued to express Japan's strong wish for China's cooperation in introducing the system.

In reply, Qian said that China would continue to study the plan.

Nakayama is accompanying Kaifu on a four-day official visit to China aimed at ending a cooling-off period in relations following the 1989 Chinese crackdown against prodemocracy demonstrators in Tiananmen Square.

Meeting for 40 minutes over breakfast, Nakayama said he considered China's announcement that it would join the Nuclear Nonproliferation Treaty (NPT) as evidence of the importance of bilateral relations.

Qian replied that the announcement during Kaifu's current visit illustrates the broad understanding on nuclear issues between the two countries.

China sympathizes with Japan, the only nation to come under nuclear attack, he added.

During World War II, two atomic bombs were dropped on the military-industrial cities of Hiroshima and Nagasaki.

Nakayama reiterated Japan's position that aid recipients should not make excessive expenditures on arms.

"Japanese taxpayers would find it unacceptable if an aid recipient uses the assistance for military purposes," he said.

Japan is China's top aid donor.

Nakayama also urged China to cooperate in arresting fishing boats that are interfering in fishing operations by Japanese ships operating in the East China Sea.

Some of the boats in question reportedly fly Chinese flags.

Qian said Chinese vessels have also been victims, and said that China takes the issue seriously.

Nakayama is to accompany Kaifu to Mongolia Tuesday, before returning home Wednesday.

### Jiang Zemin, Kaifu Meet

OW1208011991 Beijing XINHUA in English  
0051 GMT 12 Aug 91

[Text] Beijing, August 12 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met with visiting Japanese Prime Minister Toshiki Kaifu in a cordial atmosphere this morning, exchanging greetings in each other's language.

At 9:17 [0017 GMT], Kaifu and his party drove into Zhongnanhai, headquarters of the Chinese Communist Party Central Committee.

Jiang greeted Kaifu with a warm handshake, saying "good morning" in Japanese. Kaifu extended his regards to Jiang in Chinese.

Then, Jiang Zemin had pictures taken with Prime Minister Kaifu, Foreign Minister Taro Nakayama and other Japanese guests.

Jiang expressed his warm welcome to Prime Minister Kaifu and his party for paying an official visit to China, and asked Kaifu how many times he had visited China before.

Kaifu said that as Japanese prime minister, he was very much pleased to have the opportunity of meeting General Secretary Jiang.

The Japanese prime minister expressed sympathy with China for losses from the recent floods.

At press time, the meeting is still going on.

### Further on Meeting

OW1208054291 Beijing XINHUA in English  
0512 GMT 12 Aug 91

[Text] Beijing, August 12 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin and visiting Japanese Prime Minister Toshiki Kaifu expressed their desire to further Sino-Japanese friendship and cooperation in their 90-minute meeting here today.

The meeting took place in a cordial and friendly atmosphere, according to a spokesman from the Chinese Foreign Ministry.

Jiang said, "since the normalization of Sino-Japanese relations in 1972, generally speaking, the two sides' relationship has been developing quite well. After the second half of 1989, the relations of our two countries came to a temporary halt. We are pleased to see that the relations of our two countries have returned to normal."

He spoke highly of the efforts Prime Minister Kaifu has made for the resumption and development of the relations between the two countries. "As two close neighbors separated only by a strip of water, China and Japan have had long historical contacts, particularly cultural contacts, dating back over 2,000 years," he noted. "There was an unfortunate period in the history of Sino-Japanese relations. We'll tell the Chinese young people to look forward."

Jiang described Kaifu's suggestion of more exchange of visits between the two countries' young people as a "very good idea," saying that such activities can help guarantee the people of China and Japan to get along with each other in friendship from generation to generation and promote further growth of the bilateral ties.

Kaifu said the Japanese side should, on the basis of deeply reproaching itself, teach its young people to have a correct understanding of the history and handle it properly. He expressed his appreciation for the achievements China has made in pursuing its reform and open policies.

Kaifu briefed Jiang on the continued development of Japan-China relations and on his stand at the two summits of the Group of Seven that China should not be isolated.

Jiang expressed his appreciation for this.

Prime Minister Kaifu invited General Secretary Jiang to visit Japan at a time convenient to him. Jiang thanked Kaifu for the invitation.

During the meeting, the host and guest expressed their satisfaction with the very good talks between Prime Minister Toshiki Kaifu and Chinese Premier Li Peng last Saturday.

Kaifu said that Japan attaches great importance to its relations with China. Cooperation between Japan and China is of great significance to the peace and stability in both countries as well as in the Asian-Pacific region and the world as a whole.

In the present unstable world situation, Kaifu stressed, Japan and China should strengthen dialogue and make further efforts to develop their bilateral relations.

Jiang Zemin said that there are great potentials for further expansion of Sino-Japanese cooperation in the economic, cultural, scientific, technological and other fields. The two countries have much in common culturally. Japan has a deep understanding of China's ancient culture, and the two countries are close geographically. So, there are many favorable conditions for developing cooperation.

He said that the development of Sino-Japanese friendly relations of cooperation will be conducive to not only the people of the two countries but also the Asian-Pacific region as a whole.

Jiang noted that the world has entered the last decade of the 20th century. "We hold that what kind of social system each country adopts should be decided upon by the people of the given country in line with their national conditions and historical development. China hopes to have a peaceful international environment to build the country," he added.

At the meeting, Kaifu also expressed his sympathy for China over flooding and expressed hope that China will overcome this natural disaster and the resultant difficulties at an early date.

Jiang thanked Kaifu and briefed him on the situation in the flooded areas.

Jiang said that the Chinese nation has a very good tradition—showing a strong sense of solidarity in face of major natural disasters. Whenever a section of the country is in need, assistance comes from all corners, he said.

This time, Jiang said, assistance has also come from compatriots in Taiwan, Hong Kong and Macao and from Chinese residing abroad.

Jiang noted that the flood season along the Yangtze River is not yet completely over. "We've confidence in overcoming the flooding and continuing our economic development," he said.

Jiang Zemin said that he sincerely hoped Prime Minister Toshiki Kaifu's current China visit would be crowned with complete success and would further promote the Sino-Japanese relations.

#### Kaifu on Joining UN Peace Efforts

*OW 1208053591 Tokyo KYODO in English 0527 GMT 12 Aug 91*

[Text] Beijing, Aug. 12 KYODO—Prime Minister Toshiki Kaifu signaled to Communist Party General Secretary Jiang Zemin on Monday Japan's intention to send military personnel to participate in United Nations peacekeeping activities, a Japanese Government spokesman said.

Jiang urged Kaifu to ensure that Japanese youth attain a "correct understanding" of history but did not comment on the plan, the spokesman said.

In the 85-minute meeting, Kaifu said Japan plans to actively contribute both material goods and personnel to international peacekeeping efforts centered on the United Nations.

Shortly before arriving on his four day visit here Kaifu gave a nod to a plan for dispatching military personnel to serve the U.N., in what would be the first overseas peacekeeping duties for Japan's Self-Defense Forces (SDF) since they were established in the 1950s. The government is hoping to pass legislation on the issue during the ongoing session of the Diet, scheduled to last through October.

Jiang suggested to Kaifu that the Japanese leadership should ensure that schoolchildren attain a "correct understanding" of history. In public schools, Japanese children receive only a cursory overview of the history of World War II, and polls have shown that they are more likely to regard Japan as a victim of the war, rather than an aggressor.

Kaifu also urged China to support his proposal to establish a system at the U.N. for recording international arms trading, the Japanese official said.

Jiang responded that China's arms exports are smaller in volume than those of Western countries, and the weapons are less technically advanced. China's exports of arms are "not morally excessive," he was quoted as saying. China is the third-largest exporter of arms to developing countries following the Soviet Union and the United States.

Kaifu said he is happy that relations between the two countries have improved following the "unfortunate event" two years ago, the official said. He was referring to the June 4, 1989 crackdown on prodemocracy demonstrators at Beijing's Tiananmen Square.

The Japanese premier stressed the importance of bilateral relations in the uncertain international environment, the official said.

He also reiterated concerns of the international community over the situation of human rights and democracy in China, and said he hoped to see progress.

Jiang expressed appreciation for Kaifu's efforts at international meetings to prevent China from being isolated by the international community, the Japanese spokesman said.

Japan last fall led other major industrialized nations in ending a freeze on Western economic aid to China, imposed in the aftermath of the Tiananmen Square crackdown. Kaifu is the first leader of a Group of Seven (G-7) nation to visit China since the sanctions were imposed.

Jiang said China will continue pursuing socialism, and expressed confidence that it can successfully combine central planning and a market economy. "We will not accept interference from other countries," he was quoted as saying.

He accepted an invitation from Kaifu to visit Japan at a suitable time. The Chinese communist leader said he also hoped Kaifu would return to China again, the official said.

Kaifu is to meet with President Yang Shangkun before departing Tuesday for a two-day visit to Mongolia.

### Kaifu Holds News Conference

OW1208070391 Beijing XINHUA in English  
0648 GMT 12 Aug 91

[Text] Beijing, August 12 (XINHUA)—Japanese Prime Minister Toshiki Kaifu said today that his visit to China has achieved the desired purpose.

At a press conference in the Beijing Shangri-la Hotel here this afternoon, Kaifu said he has had a candid exchange of views with Chinese leaders on a wide range of issues, including bilateral relations, regional disputes, arms control and reduction, and the establishment of a new international order.

The dialogue between Japan and China, two of the most important countries in Asia, is beneficial to the stability and prosperity of not only this region, but the world as a whole, he said.

In response to a question on whether China has invited the Japanese emperor to visit China next year, the 20th anniversary of the restoration of Sino-Japanese diplomatic relations, Kaifu said Premier Li Peng expressed China's hope for such a visit in their talks last Saturday.

For that, Kaifu said he voiced appreciation but added that the matter demands study to the fullest extent.

Also, he said, the two sides exchanged views on mutual visits at all levels as a way to further bilateral ties.

### More Japanese Investment Foreseen

OW1208080991 Beijing XINHUA in English  
0800 GMT 12 Aug 91

[Text] Beijing, August 12 (XINHUA)—Japanese Prime Minister Toshiki Kaifu said here today that he placed high hopes on more investment in China from Japanese industrialists.

Kaifu, now in Beijing on an official visit, told a press conference that the recent years have witnessed a big development in economic relations between Japan and China and their trade volume has increased 20 times.

However, he said that Japan's direct investment in China fell by 20 percent although the number of projects rose by 30 percent.

"I hope that Japanese investment in China will expand," he said.

At the same time, the Japanese prime minister urged China to make further efforts to improve its investment environment though it has already done a lot in this regard.

### Kaifu: PRC Should Not Be Isolated

OW1208093691 Beijing XINHUA in English  
0915 GMT 12 Aug 91

[Text] Beijing, August 12 (XINHUA) - Japanese Prime Minister Toshiki Kaifu said here today that China

should not be isolated in the international community in terms of its important position in the world.

The visiting Japanese prime minister told a press conference that comparing to Europe and the United States, "Japan and China would be important presence in the future if we look at their population, area and vitality for economic growth."

"That is why I had also argued strongly at the G-Seven summit meeting the position of Asia and that China should not be isolated in the international community," he said. "And that area cannot be disregarded if we want to achieve world peace, stability and prosperity."

Prime Minister Kaifu said that the 20th anniversary of the normalization of Japan-China relations next year would be a turning point in further promoting the exchanges between the two countries.

"Against this background, our two countries have to engage in active dialogue with each other in political and economic cooperations," he said. "Japan will cooperate with China in its openness."

Prime Minister Kaifu said that at the G-Seven summit discussion, leaders of the world's major industrial nations were very much hopeful that China will work together with these countries in the interests of the world.

"China," he said, "as one of the United Nations Security Council's five permanent members, has an important responsibility and important role to play in the world. And it is therefore for both of us to work hard for the international community."

Prime Minister Kaifu said that he agreed to Chinese Premier Li Peng's views referring to the United Nations' function as the center in solving regional conflicts whether being ethnical, religious and whatever differences. [sentence as received].

"Japan will cooperate with the United Nations in this direction," he said.

### Support on Arms Register Sought

OW1208100391 Tokyo KYODO in English 0900 GMT  
12 Aug 91

[Text] Beijing, Aug. 12 KYODO—Japanese Prime Minister Toshiki Kaifu said Monday China's cooperation on a proposed U.N. arms register of weapons trade is indispensable and he will continue to seek the country's backing.

"As a member of the U.N. Security Council, China's understanding and cooperation are indispensable" for establishing a U.N. log to track the international arms trade, Kaifu said.

Speaking at a news conference on the third day of a four-day visit here, he said he hopes to establish a register before the U.N. General Assembly opens this fall.

Kaifu, who said the plan is aimed at preventing excessive arms buildup by any single military power in a region, said he will seek to understand any reservations China has on the proposal and which he hopes to put before the U.N. General Assembly this fall.

In over two hours of talks Saturday, Premier Li Peng told Kaifu he is prepared to continue discussing the proposal but there are difficulties that need to be sorted out.

Kaifu said Li also stated China is prepared to discuss human rights issues with other countries and he plans further talks with the country on ways to promote human rights.

China has maintained in the past that while it is concerned with human rights, any proposals should be in keeping with China's status as a developing nation with a huge population.

"China may insist it has its own situation but it is important for it to observe human rights in a way that is understood by the international community," Kaifu said.

Kaifu defended his participation Sunday in a wreath laying square at a martyr's monument in Tiananmen Square, the site of the military crackdown on pro-democracy demonstrators two years ago.

"I laid the wreath for those who died in the process of building a nation, the People's Republic of China, and it was conducted in accordance with internationally accepted protocol," he said.

Speaking on Sino-Japanese relations, Kaifu said he intends to continue assisting China with its program of reforms and moves toward openness.

Commenting on a recent 20 percent reduction in Japan's direct investment, he urged China to continue to improve its investment climate.

Analysts predict that bilateral trade will surpass 20 billion dollars this year, marking a new record.

Asked about the possibility of a visit by Emperor Akihito next year to mark the 20th anniversary of normalized relations between the two countries, Kaifu said the government must give the "most careful" consideration to overseas trips by the emperor.

Kaifu is expected to discuss the matter again later in the day when he meets President Yang Shangkun.

He departs Tuesday for a two-day visit to Mongolia.

### **Yang Shangkun, Kaifu Hold Talks**

*OW1208095791 Beijing XINHUA in English  
0950 GMT 12 Aug 91*

[Text] Beijing, August 12 (XINHUA)—Chinese President Yang Shangkun met with the visiting Japanese Prime Minister Toshiki Kaifu in Diaoyutai State Guesthouse here this evening.

When Kaifu and his party arrived at the meeting hall, Yang stepped forward to warmly shake hands with Kaifu and exchanged greetings. Yang extended a warm welcome to Kaifu on his visit to China.

Kaifu told Yang that he has had long hours of talks with Premier Li Peng and General Secretary Jiang Zemin, adding he feels "very happy for that."

### **Group To Seek \$180 Billion in War Damages**

*OW1008090291 Tokyo KYODO in English 0828 GMT  
10 Aug 91*

[Text] Beijing, Aug. 10 KYODO—A group of Chinese citizens is planning to send a petition to Japanese Prime Minister Toshiki Kaifu who arrived here Saturday, calling for payment of 180 billion dollars (about 24.6 trillion yen) in compensation for damages caused by the Japanese invasion of China during World War II.

The petition, signed by 108 people throughout the country, including Tong Zeng, a lecturer at Beijing University, was originally to be directly handed to Kaifu, who is on a four-day visit, but will be delivered to him through the Japanese Embassy because of tight security, the group said.

The petition says the total compensation for the Japanese Imperial Army's invasion of China between 1931 and 1945 could amount to 300 billion dollars.

The Chinese Government abandoned claims for 120 billion dollars in official compensation for losses incurred by war expenditure, deaths, and injuries of combatants when China and Japan normalized relations in 1972, it said. However, the petitioners demand 180 billion dollars in compensation by the Japanese Government for civilian losses, including those killed and wounded in the Nanjing Massacre of 1937. Chinese estimates show more than 300,000 people were killed in Nanjing by the Japanese soldiers.

The compensation for civilian losses should cover deaths and injuries of some 10 million civilians, a slave labor force of 3 million people, damages for the use of toxic chemical and germ warfare on civilians, plunder and destruction of public and private property, and indirect aggression by the use of narcotics, it said.

Tong said the rational settlement of unresolved questions of World War II would develop relations between China and Japan further and lay the political foundation for a visit to China by Japan's Emperor Akihito.

A recommendation calling for Japanese compensation for civilian losses was submitted to a session of the National People's Congress (NPC) in spring and it will be presented as a formal bill to the NPC in a session next year, congress sources said.

**Spokesman Announces Yang Shangkun Mongolia Visit**

*OW1008094791 Beijing XINHUA in English  
0925 GMT 10 Aug 91*

[Text] Beijing, August 10 (XINHUA)—President Yang Shangkun of the People's Republic of China will pay an official goodwill visit to the People's Republic of Mongolia from August 26 to 29 at the invitation of Mongolian President Punsalmaagiyin Ochirbat.

This was announced here today by the spokesman of the Chinese Foreign Ministry.

**Mongolian Official on Visit**

*OW1208093191 Beijing XINHUA in English  
0911 GMT 12 Aug 91*

[Text] Ulaanbaatar, August 12 (XINHUA)—Mongolian Assistant Premier Choyjilsurengiyn Purebdorj said

today that Chinese President Yang Shangkun's coming visit to his country will contribute to the development of the friendly cooperation between Mongolia and China.

During his meeting with Meng Ying, leader of a visiting delegation of the Sino-Mongolian Friendship Association, Purebdorj said the relations between the two parties and nations have been developed since Mongolian President Punsalmaagiyin Ochirbat visited China last year.

Over the past 70 years, he said, the country has made great achievements under the leadership of the Mongolian People's Revolutionary Party. Although the multi-party system was implemented in Mongolia, it still has great influence in the country. The assistant premier expressed his belief that the party will play an increasingly important role in the country's social life.

Meng, president of the Sino-Mongolian Friendship Association, said the traditional relations between the two countries will continue to develop.

The Chinese delegation arrived here on August 7 and will leave for home August 15.

## Political & Social

### Deng Said Ready To Go To Taiwan If Needed

*HK0808115391 Hong Kong CHING PAO in Chinese No 169, 5 Aug 91 p 53*

[By Ming Li (2494 7787); "Will Deng Xiaoping, Li Teng-hui Meet Each Other?"]

[Text]

### Deng Follows With Interest the Development of the Flood Situation in East China

After celebrating the 70th anniversary of the CPC founding in Beijing, Deng Xiaoping went to Beidaihe to rest on 2 July. A source said: Peng Zhen, Bo Yibo, Li Desheng, and Chen Pixian also went to Beidaihe. Before Deng Xiaoping started his journey, Jiang Zemin, Qiao Shi, Yang Shangkun, Wan Li, and Wang Renzhong gave him a send-off party. Deng Xiaoping exhorted: Three things must be done at present—economic construction, party style, and reunification, with construction at the core. Deng Xiaoping, following with great interest the flood situation in east China, instructed: First of all, we should make good arrangements for the disaster victims' livelihood and help them rebuild their homes as soon as possible. Deng also said: "This is not a new problem. The State Council must have a scientific calculation in advance and work out adequate preventive measures against all contingencies. In flood prevention and control, the people's lives and property should be put in the first place."

### It Is Wise To Build Several More "Minor Taiwans"

Deng Xiaoping emphatically dealt with the issue of the return of Taiwan to the motherland, stating: "Within the eight years to the end of this century, we should strive to realize the motherland's peaceful reunification through negotiations. To attain this goal and settle this issue, we should not relax our efforts at any moment and always regard it as a major task on the work schedule of the whole party. We always have full confidence in the reunification of the two sides of the strait. **Currently, the Kuomintang [KMT] in Taiwan still stresses: The two sides of the strait have different systems and ideologies currently in place. Reunification can be achieved only after these antagonistic differences are ironed out. The demand that systems be unified before everything else, that is, the imposition of the ideology prevailing in one side of the strait on the other side, is bound to spark tension and conflicts in the relations between the two sides, and lead to the resort to force in order to decide who will win. We are very unwilling to think of this, and still less to see it happen.** The Taiwan KMT again and again has hoped that we will publicly declare our renunciation of the eventual use of force to solve the issue of our split territory. We cannot promise not to use force, in part because we want to warn outside forces not to meddle in the great reunification cause of the Chinese nation, and in part because we do not allow the separatists to pursue "Taiwan independence," "one China, one Taiwan," and "one

country, two governments." If the Taiwan KMT firmly opposes separatist activities of this kind, there is no need for them to worry. We, the Communist Party, and the Taiwan KMT should be responsible for the 1.14 billion Chinese people on both sides of the strait; cast aside the grudges, enmities, and misunderstandings over the last 60 years or so; and look ahead for the sake of national reunification, national unity, and China's rejuvenation."

Deng Xiaoping said: "The Taiwan KMT is afraid that after reunification, the strong will swallow the weak and the mainland's system will erode and change the existing system in Taiwan. On this issue, we have repeatedly stated that after reunification, Taiwan can pursue its own practices. Since they are doing well, why should they be changed? For example, now the special zones, such as Shenzhen and Zhuhai, are doing well and people are satisfied with them. Why should we change them? Why should we put the clock back? **Now Taiwan is doing well. After reunification is achieved, it is wise to establish several "minor Taiwans" in the provinces, cities, and areas near Taiwan.** After reunification, we do not worry about being influenced by Taiwan's existing system. I think our two systems can complement each other and we can learn from each other. This is an extremely good thing for the state, the people, and world peace."

### The Three Top Leaders Are Willing To Hold Peace Talks With Taiwan

Deng Xiaoping also said: "The Taiwan KMT should seize this good opportunity and make a prompt decision to sit down for talks. If the Taiwan KMT is sincere, our general secretary can go to Taiwan for talks, and the same is true of Yang Shangkun. In the last two years I have been well. If need arises, I will go to Taiwan for talks as a representative of the CPC. Our eagerness for and enthusiasm and devotion to the motherland's reunification are sincere."

### Yang Shangkun Writes Title of Comrade's Book

*OW1108030291 Beijing XINHUA Domestic Service in Chinese 0825 GMT 10 Aug 91*

[By reporter Wang Chuanzhen (3769 0278 4176)]

[Text] Guangzhou, 10 Aug (XINHUA)—A forum to distribute the *Collected Works of Fang Fang* was held here today. President Yang Shangkun wrote the title, and vice chairman Bo Yibo of the Central Advisory Commission penned the preface for the book.

The 550,000-character book contains a total of 124 reports, speeches, memoirs, letters, and poems compiled and selected from Comrade Fang Fang's several-million-character works written between 1937 and 1965.

Comrade Fang Fang died from persecution by the "Gang of Four" in September 1971. He was the secretary of the CPC Committee of the Fujian-Jiangxi-Zhejiang Border Area, the secretary of the Hong Kong Subbureau of the CPC Central Committee, the secretary of the South

China Subbureau of the CPC Central Committee, the first vice chairman of the Guangdong Provincial People's Government, and vice chairman of the Central Overseas Chinese Commission.

### **Yang Shangkun Chairs Meeting on History Book**

*OW1108154491 Beijing XINHUA Domestic Service  
in Chinese 0656 GMT 11 Aug 91*

[Text] Beijing, 11 August (XINHUA)—On 8 August, Yang Shangkun chaired a meeting of the CPC Central Leading Group for Party History Work, which discussed the book entitled *The 70 Years of the CPC*, written by the CPC Central Party History Research Center, and approved its publication. Editor-in-Chief Hu Sheng reported to the meeting on the compilation of this book. Yang Shangkun, Hu Qiaomu, and Deng Liqun put forward important opinions. Bo Yibo also had put forward important opinions on the book before the meeting was held.

The meeting maintained that this book is a high-level work on the party history and is an ideal teaching material for cadres and party members to study party history.

*The 70 Years of the CPC* is compiled by the CPC Central Party History Research Center to mark the 70th anniversary of the CPC's founding, according to the decision of the CPC Central Leading Group for Party History Work. The entire book, containing over 450,000 characters, gives brief and complete accounts of the party history and basic experiences and does its best to reply to some profound questions about the party history. The book is interwoven with narratives and comments. It contains fair inferences and is written with ease and grace. It has higher ideological level and is worth reading.

Deng Xiaoping inscribed the name of this book.

This book will be published by the CPC Party History Publishing House in late August and will be openly distributed at home and abroad.

### **Bo Yibo Writes Inscription for Worker's Statue**

*OW1208125691 Beijing XINHUA Domestic Service  
in Chinese 0949 GMT 12 Aug 91*

[By reporter trainee Ma Chaoyang (7456 2600 7122) and reporter Yu Shaoliang (0060 4801 5328)]

[Text] Shijiazhuang, 12 Aug (XINHUA)—An unveiling ceremony for the statue of Comrade Ma Wanshui, a nationally renowned model worker, took place in Handan today. Bo Yibo, vice chairman of the Central Advisory Commission, wrote an inscription for the statue which read: "Carry forward Ma Wanshui's spirit and make new contributions to developing mining industry." Yuan Baohua, member of the Central Advisory Commission, attended the unveiling ceremony.

Ma Wanshui was an outstanding representative who emerged from our country's working class after the

founding of New China. In June 1950, he led a tunneling team to set a national record of 23.7 meters per month in doing manual tunneling work in the Pangjiabao Iron Mine in Longyan, Hebei. In the ensuing 10 years, his team set 12 consecutive new national records of monthly footage in shaft sinking and tunneling. Unfortunately, on this day in 1961, Ma Wanshui, who was only 38 years of age, died of illness as a result of his constant work.

Addressing the unveiling ceremony, Yuan Baohua, member of the Central Advisory Commission, spoke highly of the Ma Wanshui spirit characterized by "hard struggle; strict, meticulous, and fine work; strenuous drive; wholehearted dedication; and courage to scale new heights"—a spirit cultivated and developed by Ma Wanshui himself and by his comrades in arms in the course of hard struggle. Yuan Baohua said this spirit is a striking expression of the fine character and lofty style of the Chinese working class and also a valuable spiritual asset.

### **State Council Appoints, Removes Functionaries**

*OW1008123391 Beijing XINHUA Domestic Service  
in Chinese 0638 GMT 10 Aug 91*

[Text] Beijing, 10 August (XINHUA)—The State Council recently appointed and removed a group of state functionaries.

It appointed Ma Junru [7456 0193 1172] as director of the State Bureau of Foreign Experts Affairs; Yang Jingyu [2799 2529 1342] as director of State Council's Bureau of Legislative Affairs; Xu Rongkai [1776 2837 0418] as vice minister of light industry; Xiao Yongding [5135 3057 1353] as president of State Machine-Building, Electronics, Light and Textile Industries Investment Corporation; Zhang Weichao [1728 0251 6389] as consul general (ambassadorial rank) in New York; Wang Fengxiang [3769 7685 4382] as consul general in Leningrad; and Zou Mingrong [6760 2494 2827] as consul general in Melbourne.

It removed Wang Nai as director of the State Bureau of Foreign Experts Affairs; Sun Wanzhong as director of State Council's Bureau of Legislative Affairs; Wang Wenzhe as president of State Machine-Building, Electronics, Light, and Textile Industries Investment Corporation; Qiao Zhonghua as deputy director of the Hong Kong Branch of XINHUA News Agency; Zhang Weichao as consul general in Leningrad; Chen Weiming as consul general in Melbourne; Zu Qinshan (concurrently) as consul general in San Marino; Yao Shouren as deputy permanent representative to the United Nations Environment Program; and Cao Yuanju as deputy permanent representative to the United Nations Educational, Scientific, and Cultural Organization.

### **Jiang Zemin, Li Peng See Hong Kong-Macao Group**

*OW1008144891 Beijing XINHUA in English  
1412 GMT 10 Aug 91*

[Text] Beijing, August 10 (XINHUA)—Party General Secretary Jiang Zemin and Premier Li Peng today met

with the Hong Kong-Macao delegation which has come to the mainland to convey sympathy to the flood-hit areas and people.

The delegation arrived in Beijing yesterday after touring the flood-ravaged Jiangsu and Anhui Provinces.

During the meeting, Zhou Nan, head of the delegation and director of the XINHUA NEWS AGENCY, Hong Kong branch, briefed on the donation activities held in Hong Kong and Macao for the flood-hit areas.

Zhou said that the donation activities were unprecedented. Preliminary statistics show that more than 600 million Hong Kong dollars have been raised.

Zhou said that the donation activities are still going on and this has fully demonstrated their patriotism and their confidence in the future of China, and the rallying power of the Chinese nation.

Some delegation members spoke and made some good suggestions on relief work. They included Leopold H.C. Tang, Tam Yiu Chung, Too Hoi Yu, Ma Man-kei, Zhang Zhenfa, Liu Zhuohua and Tsang Hin-chi.

Jiang Zemin told the delegation that the party and government highly value and much appreciate the enthusiastic patriotism of the Hong Kong-Macao delegation which braved the heat to tour the flooded provinces to convey the sympathy from the Hong Kong and Macao people.

Jiang repeated the hearty thanks to the people in Hong Kong and Macao expressed by Premier Li Peng on behalf of the party Central Committee and the State Council and he expressed thanks to people in Taiwan and Overseas Chinese and the international community as a whole for their prompt aid to the flood victims.

Jiang said that the people in the flooded areas have peace of mind and, with the nationwide support, are actively engaging in production in a bid to provide for and help themselves. The local governments are making every effort to arrange for the life and production of the flood-hit people and distribute relief materials to the hands of the people and striving to mitigate the losses.

Jiang assured that the supply of food grain in the flooded areas will be guaranteed until the new harvest next year.

Jiang said that, with the support of the people in Hong Kong, Macao and Taiwan, Overseas Chinese and the international community as a whole, China has the confidence and strength to overcome the natural disaster and all the difficulties it has incurred.

Jiang said, as the flood season has not yet ended, the people on the mainland will not relax their efforts and will watch closely the development of the flood situation while doing well the relief work.

Vice Premier Tian Jiyun and other government officials were also present at the meeting.

### Ministerial-Level Cadres Visit Anhui Flood Area

*OW0908171791 Beijing XINHUA Domestic Service in Chinese 0254 GMT 9 Aug 91*

[By reporter Chen Baoshan (7115 1405 0810)]

[Text] Hefei, 9 Aug (XINHUA)—Over 20 ministerial-level leading cadres from the State Council made successive sympathy trips to disaster-hit areas in Anhui during the past month, in order to help local authorities study and work out initiatives for providing disaster relief, rebuilding homes, and resuming production.

These leading cadres included the ministers and vice ministers of commerce, textile industry, railways, light industry, civil affairs, communications, water resources, agriculture, posts and telecommunications, finance, construction, geology and mineral resources, public security, and justice, as well as a vice governor of the People's Bank of China and the president of the People's Insurance Company of China.

Displaying the fine tradition of hard work and plain living, they ignored the fatigue of long-distance travel, braved the scorching heat, went to the forefront of disaster relief operations, and worked around-the-clock. Opting not to have lunch after she deplaned some time past 1400 on 26 July, Minister of Textile Industry Wu Wenying hurried on to hardest-hit Shouxian County and surveyed a cotton mill submerged in more than one meter of water. Her eyes filled with tears when she saw workers retrieve cotton from water and dry cotton yarn and cotton cloth. She expressed her heartfelt appreciation for the workers' spirit of being masters of their own affairs as reflected in their taking good care of state property. Her remarks greatly inspired the workers.

Supply of daily necessities has posed a major problem to flood-ravaged Anhui, where tens of millions of fields has been inundated and tens of millions of people are stranded on embankments surrounding low-lying farmland and on dikes. Commerce Minister Hu Ping commended the use of supply vehicles and boats in some localities. He held an on-site meeting to sum up and improve on experience in this regard, so that commercial, grain, and supply and marketing departments in Anhui can use the experience extensively to ensure the effective supply of daily necessities to people in disaster areas. When he learned that the disaster had left people with no wire, nails, and other construction materials to rebuild their homes and no seeds to replant their crops, he did not wait until he returned to Beijing but instead sent letters from Anhui to the commercial departments in various provinces and municipalities urging them to deliver relief supplies to Anhui without delay. He also asked them to swiftly deliver goods allotted to Anhui under state plans or contracts, and to transfer some of the products in short supply to the province.

People in disaster areas need funds to rebuild their homes. Aside from devising methods for allocating

funds, leaders of the Ministry of Finance and the People's Bank of China also offered their ideas and drew up policies on raising more money through various channels to help Anhui tide over the crisis and conquer disaster. Li Yumin, president of the People's Insurance Company of China, personally instructed the Anhui Provincial Insurance Company to conduct surveys and pay indemnities without delay. He urged insurance cadres to personally pay indemnities to whichever areas were stricken by floods.

Because the Anhui Provincial Insurance Company was losing money, its head office funneled reserve funds from insurance companies in other provinces and municipalities to ensure payment of indemnities. By early August, the head office had allocated over 80 million yuan to Anhui Province; the company in Anhui had paid approximately 100 million in indemnities, thus playing the compensatory role of insurance firms in times of major disaster.

Leaders from relevant departments and local comrades also jointly drew lessons from the floods. Zhou Wenzhi, vice minister of water resources, suggested that Anhui take measures simultaneously in the future to prevent floods and drain waterlogged areas along the Huai He; build more water drainage culverts, sluice gates, and key power drainage stations; and construct more dikes and embankments around low-lying farmland.

Leaders of the Ministries of Posts and Telecommunications, Commerce, and Textile Industry proposed that important communications, basic industrial, commercial service, and industrial facilities be constructed on higher ground to avoid flooding.

#### State Council Sets 'Eight-Point' Relief Measure

HK1008040491 Hong Kong WEN WEI PO in Chinese  
3 Aug 91 p 2

[By staff reporter Chen Chien-ping (7115 1696 1627); "State Council Formulates Eight-Point Relief Measures"]

[Text] Beijing, 2 Aug (WEN WEI PO)—According to an authoritative person, the State Council held a joint meeting of all relevant ministries and commissions a few days ago to determine eight-point relief measures of the future relief work. Their main contents include the exemption of the seriously stricken areas from grain delivered to the state and from all agricultural taxes for three years, guarantee of a ration of one jin of grain for each victim per day until summer harvest next year, appropriation of funds to import a large quantity of disinfectants, state investment of 1 billion yuan in water conservancy construction this winter, and so on.

This authoritative person said this meeting had determined eight-point relief measures in the future, which are:

1. In the stricken areas, it is necessary first to solve the problem of food and to reassure the victims. In the seriously stricken areas which absolutely anticipate no

harvest or basically anticipate no harvest, they will be exempted from agricultural tax, public grain, and all kinds of payments (namely all kinds of local taxes). This policy is worked out to look after the larger part of Anhui and some parts of Jiangsu and Guizhou.

2. It is essential to guarantee one jin of grain ration for each person a day until summer harvest next year. These grain rations are supplied by the state. Grain is sold to those who are able to pay but given gratis to those who are not.

3. In the areas where floods are likely to occur, houses will no longer be built in the future.

4. The Ministry of Civil Affairs will give the victims a subsidy of 65 yuan to build each house.

5. The epidemic situation of the stricken areas must be brought under control. After the floods subside, it is necessary to disinfect large areas. The state will appropriate 5 million yuan to import medicines and disinfectant drugs and instruments; the stricken areas must build temporary crematoria; the hospitals and schools in the stricken areas must be resumed as soon as possible. The central authorities and all ministries must give money to rebuild and restore the hospitals and schools directly under the central authorities, ministries, and commissions.

6. The decision to invest 1 billion yuan in water conservancy facilities in the afflicted areas and this work must commence in winter this year.

7. The victims must provide for and help themselves by engaging in production, and victims must be dissuaded from going to other places. According to preliminary statistics, a phenomenon that victims leave their hometowns for other places has appeared and their number exceeds 15,000.

8. It is essential to try in every possible way to apply the public opinion force to reassure the victims. The victims must rely on their own efforts to rebuild their hometowns, and the people must be helped to understand the importance of building and repairing water conservancy facilities.

#### Commentary on Self-Reliance in Flood Relief

HK1208013891 Beijing RENMIN RIBAO in Chinese  
8 Aug 91 p 1

[Commentator's article: "Set Foothold in Self-Reliance"]

[Text] "Never bow to serious calamities, overcome difficulties and forge ahead by engaging in production." In some flooded and waterlogged areas where flood water has begun ebbing gradually, despite fatigue and unbearable summer heat, the broad masses of people are now striving to overcome difficulties by engaging in production under the leadership of the local party and government organs in the hope of "losing no crops in face of a minor calamity and losing fewer crops in face of a major calamity." Such a heroic spirit of self-reliance and hard struggle as displayed

by the people in the calamity-stricken areas is indeed worthy of respect and commendation.

We Chinese people have always had a glorious tradition of relying on ourselves. Self-reliance is a manifestation of confidence in our own strength in face of a powerful enemy as well as a manifestation of confidence in our own bright future in face of untold difficulties. It is just because we have developed and carried forward this extremely precious spirit under the leadership of the CPC that our nation has successfully defeated all types of enemies, overcome all types of difficulties and gradually advanced toward richness, strength, and prosperity. The greater the difficulties, the more vigorously we should develop this spirit. The more difficult the conditions, the more extensively this spirit can be aroused. The initial successes we have achieved in resisting floods and dealing with emergencies in some of the calamity-stricken areas should, in the final analysis, be attributed to this spirit of self-reliance and hard struggle.

Those areas which have been seriously devastated by natural calamities are in need of state assistance as well as aid from other areas. In our big socialist family, "when trouble occurs at one spot, help comes from all quarters." Since Anhui, Jiangsu, and some other areas were hit by severe floods and waterlogging, the state has given its unreserved support to all the disaster-stricken areas. The people of all nationalities across the country have also actively donated money and goods. The Hong Kong, Macao, and Taiwan compatriots, the Overseas Chinese, as well as the international community have also provided urgent support. All these will doubtlessly play an important role in and contribute to the efforts made by the people in the calamity-stricken areas in winning a victory in the flood-resistance and relief-provision work. It is good that our media have extensively publicized this and sung the praises of and expressed gratitude for such generous behavior.

Nonetheless, we should clearly understand that although people at home and abroad have donated a large amount of money and goods, such money and goods are still far from meeting the realistic needs and it is impossible for them to fundamentally resolve the relief problem because this year's floods have devastated an unprecedentedly large area, affected an unprecedentedly big population, and caused unprecedentedly heavy losses, all of which have not been seen over the past decades. The limited amount of relief funds and goods should not be shared out equally between seriously devastated areas and slightly devastated areas. Instead, they should be given to the seriously devastated areas first so as to "meet urgent needs and save lives" as well as to help local people tackle such problems as food, shelter, and disease prevention and cure. It is also necessary to take into account the need to secure people's livelihood this winter and next spring, the need to resume production, and the need to rebuild destroyed home towns. In short, in distributing relief funds and goods, it is necessary to "make overall plans, take into account all factors, guarantee provision to key areas, and give further thought to and discuss the matter in greater detail." It is necessary to educate the

grass-roots cadres and masses in the calamity-stricken areas to prevent and overcome the mentality of passively awaiting outside assistance and solely relying on it and to brace up, rely on themselves, and concentrate their efforts on implementing various measures aimed at tiding over calamities by engaging in production.

The party Central Committee and the State Council are determined to provide all sorts of support and assistance to the people in the calamity-stricken areas in the hope of helping to tide them over current calamities. What should be stressed here is that cadres at all levels must fully understand that the magic might of self-reliance exists among the broad masses of the people. Resuming production and rebuilding hometowns are no easy tasks. Therefore, it is necessary to trust, rely on, and fully mobilize the masses. The people in the calamity-stricken areas have suffered a lot from the floods and waterlogging. Many peasants have lost their crops, livestock, houses, and property and are now understandably in low spirits and sad. However, all of them are very anxious to resume production and rebuild their hometowns. Given a stronger material basis for tiding over disasters through production, so long as we successfully carry out propaganda and education, help people foster such firm confidence that all difficulties can be negotiated under the leadership of the Communist Party and people's government, and, meanwhile, make rational use of the relief funds and goods and good arrangements for people's livelihood, we will certainly be able to mobilize the enthusiasm of the masses to the greatest possible extent and form a gigantic force to resist the calamities and win victories. Whether or not these tasks can be accomplished will be a rigorous test for cadres at all levels, Communist Party members, as well as the masses in the calamity-stricken areas.

Self-reliance means closely combining the revolutionary spirit with a scientific attitude, rationally organizing the strength of the state, the masses, and all quarters in society, and carrying out production, disaster-relief, and hometown-rebuilding work in a planned way and step by step. Overall arrangements must be made for draining inundated farmland, reinforcing dikes and dams, repairing roads, rebuilding houses, and resuming production in factories, as well as for other types of work. "Seizing every spring day, grasping every summer hour." "Hunger breeds discontent." At present, in areas where conditions allow, we must waste no time in organizing the masses to go all out to carry out rush-planting and replanting in order to reap more grain, beans, and vegetables after this autumn and meet the needs of this winter and next spring. It is necessary to greatly advocate the fine style of taking pleasure in helping others, give full play to collective strength, and carry out activities aimed at enabling villages to help one another, slightly devastated areas to help seriously devastated areas, and people to help and assist each other and join hands in overcoming difficulties. In order to repair the highways, bridges, and water conservancy works damaged by floods, it is advisable to build some relief-oriented industrial projects so as to closely combine state aid and assistance with the self-reliance of the calamity-stricken areas.

We believe that under the correct leadership of the party and government, with the unreserved support of the people of the whole country and all quarters, and in the spirit of self-reliance and hard struggle as displayed by the people in the calamity-stricken areas, we will not only be able to paint a grand "flood-resistance picture," but also be able to write a touching "history of pioneers." Facts will unequivocally attest that no natural or man-made calamities can subdue the Chinese people led by the Communist Party and that our great socialist motherland will certainly be able to continue to advance along the road of richness, strength, and prosperity.

### **Li Guixian Inspects Work in Heilongjiang**

*OW1008135191 Beijing XINHUA Domestic Service  
in Chinese 0630 GMT 10 Aug 91*

[By reporter Liiu Guangjun (0491 1639 6511)]

[Text] Harbin, 10 Aug (XINHUA)—On an inspection tour in Heilongjiang recently, Li Guixian, state councillor and concurrently president of the People's Bank of China, said: From the second half of this year to the first half of the next year, the bank departments across the country should use the 12 months to concentrate on improving the quality of bank staff members to foster a good image, a good reputation, and a good work style among the masses.

He pointed out: To improve the quality of staff members, we should first solve the question of impurities in the ranks. It is necessary to screen out those who have wormed their way into banking ranks, abuse power to seek gains, take bribes and bend the law, severely infringe upon the interests of the party and the people, and damage the image of banks. Transfer those who should be transferred to other places; prosecute those who should be prosecuted. Of course, solving the question of impurities in the ranks is not launching a political movement. We must let ideological education play the dominant role to raise the quality of staff workers.

He said: Another focal point for improving the quality of staff members is to set up and strengthen all protective systems. At present, we should establish three systems as soon as possible: the system of loan certificate, the system of certificates on opening an account, and the system of separating examination from loan.

### **Anti-Evolution, Economic Policies Considered**

*HK1008080591 Hong Kong CHING PAO in Chinese  
No 169, 5 Aug 91 pp 38-41*

[Article by Chang Mu (1728 3092): "Jiang Zemin Stresses Necessity of Anti-Corruption in Preventing Evolution; Zhu Rongji Takes Over State Council Economic Administration"—first two paragraphs are CHING PAO introduction]

[Text] Jiang Zemin recently repeatedly said that corruption has established its reign in many areas, and this is a

tumor growing in our body. Anticorruption must start with leading cadres at or above the provincial and ministerial levels, and this is the key for opposing peaceful evolution.

Zhu Rongji has officially taken over the State Council Office for Production Affairs and becomes the vice premier in charge of enterprise production, economic management, and technological transformation and imports in the government.

### **Flood Spelled Disaster, Put Leadership Core to Test**

Since the beginning of this summer, floods have wrought havoc on some two million sq km of areas such as east and central China, Huaihe and Changjiang, spelling disaster on a scale not seen over the last 100 years. Key CPC political figures of the third generation are all immersed in the emergency relief and rescue operation. With the coming of the critical high-water season between the second half of July and first half of August, CPC high levels are most worried about the water levels in areas surrounding Haihe, Liaohe, Huaihe, and Changjiang and their estuaries during this "late July and early August" period. **CPC Central Committee General Secretary Jiang Zemin repeatedly satirized and disparaged himself when Shanghai mayor:** "There is just too much water in the written characters of my name. "Jiang" means water, and "min" also means water." Some foreign newspapers used to call him "water mayor."

We can say that the handling of this sudden natural disaster is a test for the third-generation CPC leading core headed by Jiang Zemin. After efforts from many sides, casualties have been reduced to the minimum. The "blood thicker than water" sentiment and sympathy for one's own countrymen were aroused in the hearts of people all over the Mainland and Hong Kong and Macao and overseas Chinese. Of course, there would be tremendous loss in property and many difficulties for future recuperation. In view of this, many provincial- and regional-level water conservancy projects long held up by indecision are expected to go through a comprehensive planning and arrangement. This is to avoid another similar occurrence in which large areas of farmland, enterprises, towns, and townships became an ocean.

However, the CPC views the disaster as only an "interlude" on its marching path; in no way will it affect specific planning for fulfilling the second-step strategic goals. Political and economic operations and the pace of reform are still being staged and implemented according to schedule. Even the preparation for the 14th CPC Congress, including Jiang Zemin's "political report," is still under way, with special working groups responsible for formulating and drafting.

### **Publication of Carefully Selected Important Literature**

Noteworthy is that the first and second of the three-volume "Selected Anthology of Important Literature Since the 13th CPC Congress," a contemporary literature edited by the CPC Central Party Literature Research Center, will be published and distributed

around August. The anthology includes 124 important documents dated between the eve of the 13th CPC Congress and the Seventh Plenary Session of the 13th CPC Central Committee late last year, totaling some 800,000 characters; 53 of which are documents from the CPC Central Committee, National People's Congress [NPC], State Council, and Central Military Commission; the remaining 70 are speeches and articles by CPC and state leaders such as Deng Xiaoping, Chen Yun, Jiang Zemin, Yang Shangkun, and Li Peng. Writings by leaders have all been reviewed and approved by the authors. Thirty-one important contributions will be published for the first time.

Without a doubt, the anthology will inevitably include authoritative talks and evaluations on a series of political events such as the 1986 student movement on the Mainland, and Hu Yaobang's resignation in connection with the student movement, and 4 June 1989 and the related downfall of Zhao Ziyang. The CPC Central Committee's approval of the publication of the book will correct the past inaccurate stories overseas about the political situation and personnel shuffles in the CPC since the 13th party congress. The book's final volume will undoubtedly include important literature from this year up to next year's 14th CPC Congress.

According to an authoritative source, the book will be another anthology of important literature following the "Selected Compilation of Important Literature Since the CPC Third Plenary Session of the 11th CPC Central Committee" and "Selected Compilation of Important Literature Since the 12th CPC Congress." The source also explicitly pointed out that the book clearly traced the history of government by the CPC second-generation leadership collective with Deng Xiaoping as the core and third-generation leadership collective with Jiang Zemin as the core since the 13th party congress. It also explained incisively the CPC's and government's position and important decisions on a series of significant theoretical and practical issues on the political, economic, military, and cultural fronts; it has been described as "important reading for the study of the party's line, principles, and policies."

#### Vice Premier Zhu in Charge of Production

**Earlier newly appointed Vice Premier Zhu Rongji officially took charge of the State Council Office for Production Affairs.** Previously he had presided over a State Council work conference on clearing debt chains, which shows that he had completed the process of shedding the local official's perspective and familiarizing himself with State Council administrative procedures on national affairs. Now he has taken over from Zou Jiahua the posts of chairman of the State Council Committee for Safety in Production, head of the State Council Leading Group for Clearing Debt Chains and State Council Leading Group for "Quality, Variety, and Efficiency," and become the vice premier in the government in charge of enterprise production, operation management, technological transformation and transfer, and so on.

When Zhu Rongji was deputy director of the State Economic Commission as well as a senior engineer, the newly established Economic Management School of Qinghua University hired him as the school president and part-time professor; and he later also became a tutor to doctoral candidates. He told students that a few harmful bugs were only to be expected when the country starts pursuing the policy of opening up to the outside world. We must resist these bugs with our own national culture and dignity. If we are of one mind and pool our efforts, confident and determined, we can run things well in China. Thus far, he remains "President Zhu" and, together with professors, is training three doctoral candidates.

#### Govern With Stern Hand, Be Eclectic

Zhu Rongji, well-known for his "government with a stern hand," saw his reputation for being clean, highly efficient, and authoritative rise to new heights when governing Shanghai. Now that he has entered Zhongnanhai to take charge of part of the state government, he would be observing the style, as would other State Council leaders, of late Premier Zhou Enlai—"work hard and conscientiously, be loyal to one's duty, struggle arduously, stay clean and be upright, solemn and serious, and humble and cautious." He believes that to run an enterprise, unit, or country well there must be sacrifice and dedication. What our country now lacks is an entrepreneur who understands the past as well as the present, foreign economic management as well as Chinese "Sun Zi's Military Strategy" and the "Communist Manifesto." We must pursue a policy that "takes ours as the base, absorbs eclectically strong points from many areas, digests and purifies them and, with all these, form our own style," learn from the strength of others, and integrate what is learned with our oriental characteristics and national tradition. This, plus the leadership of the CPC, will develop into a enterprise management style with Chinese characteristics.

Zhu Rongji, who has gone through many ups and downs and trials in life, is still very much a frank and straightforward personality. Some may find him too serious and "upright." In fact, after he graduated from Changsha Number One Provincial Secondary School in Hunan and gained entrance through examination into Qinghua University, he at once became very active in student movements and later joined the CPC. His afterschool interests were wide-ranging; he read Lu Xun, Mao Dun, Pa Jin, and other famous literary works, fell in love with Beijing Opera and was capable of performing it himself. He once won enthusiastic applause with an opera aria at a fraternal party.

#### Three Principles in Economic Structural Reform

Given the current international situation, **China's reform lays strong emphasis on maintaining its own basic social and political structure and resisting the West's "peaceful evolution" tactic and bourgeois liberalization thinking.**

**Chen Jinhua**, minister of the State Commission for Restructuring the Economy, has recently spoken on the **three principles** on 1990's economic structural reform.

1. Upholding the socialist direction, which means grasping the following four principles: One, uphold public ownership as the main body. Formulation of policies and measures must be done with a view to ensuring that public ownership be the main body, and conditions must be created to enable fair competition among different types of ownership. Two, uphold the form of distribution in which payments are made according to the amount of work done; gradually build a wage system whose consideration will mainly be based on technical capability and amounts of manual labor required by work posts; and various subsidies will be integrated in wages. Administration of individual income tax will be strengthened. Three, adhere to common prosperity, support the policy of letting a number of people grow rich with honest labor ahead of others, then encourage the already rich to help those rising in fortune, and together walk the path of common prosperity. Four, maintain vigilance against the West's conspiracy of "peaceful evolution" to ensure that socialism enjoys long-time peace and security.

2. Reform must be based on China's national situation and build socialism with Chinese characteristics. We must tailor our policies to local conditions and cannot be too eager for achievement. Of course, we must be aware of the world development trend, heighten a sense of urgency for reform and expedite reform in certain tough areas when the economic environment eases up relatively.

3. Correctly handle the relationships between reform and development, and reform and stability. Reform is aimed at promoting national economic development, and so we must do a good job of making reform revolve around the development strategy of the national economy, while ensuring the stability of socialism. First, when formulating reform programs and plans, consideration must be given to deep-layered contradictions and practical conditions. Second, significant reform steps must take into account the state's, enterprises' and individuals' bearing capacities, make adequate forecasts and consider possible impacts, and must be pursued in coordination, preceded by opinion guidance and in such a way as to avoid any enormous social turmoil. Third, perfect and adjust existing reformist measures according to practical conditions with a view to institutionalizing and standardizing them.

#### In Sum, Three-Pronged Strategy

Overall economic reform will still adopt the development strategy of "waging a decisive battle in the eastern region, making breakthroughs in the middle region, and achieving leaps in the western region, with the structure remaining unchanged." Coordination among these three parts falls within the three-sided development strategy, which includes a southeast coastal development strategy, one that plots along Changjiang, with Shanghai as the

origin, and a new strategy which features opening to the outside world along the borderlines.

At present, a new pattern has emerged in which the northern and western regions have established themselves as a center parallel with the coastal opening. China's border trade has become an integral part in its overall foreign trade. Border provinces and regions are actively improving their investment environment, building railways, highways, airports, buying aircraft, installing programmed international line telephones to upgrade telecommunications, all to seek greater development.

#### Old-Age Pension First To Be Reformed

Jiang Zemin said, we must pursue economic construction to the best of our ability but not overstretch it. **The issue in debate now is that state finance is in deficit.** The Eighth Five-Year Plan and 10-Year Program have studied and decided to institute a dual expenditure system dividing expenditure into separate channels. There is to be no more deficit, and efforts must be made to streamline organs and reduce their scale, to economize and raise efficiency, and devote all of our financial strength to improving the economy.

It can be perceived that the **reformist measures launched since the beginning of this year have concentrated on resolving the state financial burdens to do away with budgetary deficits and increase investment in industry and agriculture. Reforms in grain and oil-bearing crop prices, medical insurance, and housing are all being subsumed to this goal.**

The State Council has recently decided to change to the practice of the state and enterprises undertaking the burden of old-age insurance. The burden will henceforth be shared between the state, enterprises, and individuals, with workers themselves having to pay certain amounts in fee. With this it is hoped that a system will be gradually built where basic old-age insurance, a supplementary old-age insurance by enterprises and individual saving as hedges against old age from workers are combined. According to statistics, there are now 21 million retirees nationwide, which means an annual outflow of 34 billion yuan in retirement pension. When the new system is in place, workers will be made step by step to pay the basic old-age insurance, but this will not be pursued until workers' wages have been adjusted. At the start, the amount of payment may be less than three percent of a worker's standard wage, to be later adjusted upward step by step. Basic old-age insurance dues from workers will be deducted by enterprises from their wages.

#### Housing Reform, Inject Dynamics Into Relevant Industries

Housing reform will also enter a substantive stage. The CPC's 10-Year Program outline explicitly specifies that by 2000, every household in township and town will own a set of economical and proper houses, with eight square meters of living space for each person on average.

Housing will become a key item in future consumption, and it is therefore necessary to expedite the construction of houses.

The all-inclusive housing welfare package provided by the state over the years has been annually costing the state 36 billion yuan in house construction and maintenance. Residents have been paying only a nominal fee. Monthly rent has been 13 fen per square meter but should be 60 to 80 fen if we factor in depreciation, maintenance and management fees, and will rise to 230 fen if interests, property tax, profits, land rent, and insurance are included.

Sources revealed that state decisionmaking departments are formulating a positive, sound, and pragmatic national housing reform implementation program. Its basic line of thinking is to encourage workers to buy houses, workers who, depending on their financial capacity, will be given house-purchase subsidies. Because of depreciation, a worker will be offered a lower price should he decide to buy the house where he currently lives. He may pay the whole amount or in instalments when buying a house. But first, rents must be raised from the current overall level of 1.2 percent of a worker's income to 4.6 percent, which was the level in the 1950's, and to be gradually raised to 10 percent of a worker's income. This is to make residents feel that buying a house is cheaper than renting one. Newly built public houses will first be put up for sale, and later for rent. Residents having housing problems will get priority in buying or renting. Houses exceeding the government housing standards will be sold or rented at high prices.

Over the last three years 12 cities and 13 counties on the Mainland have launched pilot housing reform projects. At present there are 28 million tonnes (total inventory) of steel backlog nationwide, tying up 40 to 50 billion yuan of capital. Cement and wood, which used to be in high demand, are now suffering from sluggish sales. All these, plus the tens of thousands of construction workers force, are all pressing the state to promote housing reform and expedite house construction and to launch the construction and other related industries into prosperity development.

#### If Economy Not Running Well, Regime Will Not Be on Solid Ground

**Jiang Zemin recently stressed that the economy is the foundation of society. If the economy runs well, many complicated problems will be solved more easily.** For instance, now many young men are leaving the country; even ballet dancers, violinists, music conductors, and engineers are heading for foreign countries. To solve this problem, we must, while strengthening ideological and political work, properly raise the wages of professionals. We must improve the national economy with every means available, work hard to fulfill the second-steps strategic goals. **If the economy is not improving, ultimately it will be hard to consolidate our regime.** Therefore, making this goal a reality is at present the top task for the

whole party and nationalities of the whole country. It also concerns the whole situation of the country.

#### Corruption Spreads to Grass Roots

As a ruling party intent on stabilizing the overall situation and steering the country in the socialist direction, we, says **Jiang Zemin repeatedly, must highlight opposing corruption. Corruption has established its reign in many areas. This is a tumor on our body, and also a breach on which the enemy can make an attack.** This problem was brought up as early as the 1983 party rectification. This time we should deal with it more vigorously. **Work must start with leading cadres and departments at or above provincial and ministerial levels. If work is not done well at high levels, there is no hope that we can do a good job at low levels. This is also the key to oppose peaceful evolution.**

Following the Fourth Plenary Session of the 13th CPC Central Committee, party and government organs had been vigorously pursuing the clean-government drive, with the result that feasting and accepting gifts at state organs were markedly reduced. **However, recently there has appeared a trend in which corruption seems to be "descending" to lower levels, that is banquets and gifts are now arranged to be conducted by grass roots or enterprises. Enterprises have been openly asked for "sponsorship." The masses have described this as corruption "shifting to grass roots."**

For this reason, **Jiang Zemin** stressed that "opposing bribe-taking and anticorruption must be pursued permanently. Until communism is realized, our work will not stop and we keep fighting." He believes that "it is unlikely that there will be an instant and drastic fall of economic crimes, corruption, and bribery. But we must not be deluded by some illusory phenomena. We must maintain our guard and persist in a long-term struggle."

#### Anti-Evolution, CPC Candidates Viewed

HK1008034291 Hong Kong CHING PAO in Chinese  
No 169, 5 Aug 91 pp 42-45

[Article by Liu Pi (0491 1801): "Guarding Against Evolution Has Become CPC's Established Principle: Three Focal Points in Personnel Arrangement During 14th CPC National Congress"]

[Text] Deng Xiaoping goes to Beidaihe on 15 July almost every year, because on this day primary and middle school students start their summer vacation. Deng Xiaoping, who loves his children and grandchildren, always takes his family members to Beidaihe by special train. Deng Xiaoping's birthday falls on 22 August. After celebrating his birthday in Beidaihe, his special train will leave for Beijing on 24 or 25 August, a few days before primary and middle school students start the new term.

But this year one person left Beijing ahead of Deng Xiaoping. He was General Secretary Jiang Zemin.

### Jiang Zemin Went to the South To Inspect Flooded Areas

At 0900 on 7 July, sentries were put on duty every 10 steps away from each other on the Anzhen overpass in Beijing. At about 0945, a Hongqi sedan drove up the overpass and turned westward, followed by a Mercedes-Benz police car with its lights on. At the sight of the Hongqi sedan, many people knew General Secretary Jiang Zemin was in the car, because among CPC leaders, only Jiang Zemin still travels by Hongqi. After turning northward and then westward, the car drove fast toward the airport in the western suburbs.

But no Beijing citizen could guess where Jiang Zemin was going, because during those days, newspapers had carried the news on celebrations the CPC's 70th founding anniversary and overseas visits by Jiang Zemin, Yang Shangkun, and Li Peng on the front page. Throughout June, the Chinese column of CANKAO XIAOXI [REFERENCE NEWS]—a window for the Chinese to know about the world—only reported on achievements in opening up, economic progress, and the success of Chinese leaders' foreign tours. On 26 May, a front-page-lead title in RENMIN RIBAO was: "Good Summer Harvest of Grain, Oil in Sight in Our Country," with the subtitle "If No Extraordinary Disaster Happens, Gross Summer Grain Production Expected To Reach Last Year's Bumper Harvest Level." On 31 May, RENMIN RIBAO published on page two a speech on ensuring safety along the Huang He by Yang Zhenhua, minister of water resources, at a Huanghe flood control work meeting. Subsequently, on 9 June, provinces south of the Chang Jiang were hit by rainstorms, but RENMIN RIBAO did not mention a single word on this. On 10 June, RENMIN RIBAO published a front-page lead report entitled "Jiangsu Practices Local Storage, Price Protection for Summer Grain," but a XINHUA special dispatch from Hefei disclosed that incessant rains in regions north of the Huai He had caused serious floods. On 17 June, a picture describing Li Peng visiting some people in a flooded area in eastern Anhui, wearing rubber shoes and holding an umbrella, appeared on the screen during a news hookup of the Central Television Station, but this program did not tell television watchers about the flood situation in east China. A long XINHUA report on Li Peng's inspection of Anhui was entitled "In Invigorating Large and Medium-Sized Enterprises, It Is Necessary To Look Inwardly," with the subtitle "Strengthening Socialist Education Fundamental Measure for Promoting Spiritual Civilization," giving little publicity to his inspection of flooded areas, the purpose being to keep the people uninformed of the actual situation.

Jiang Zemin arrived in the most seriously flooded province of Anhui on 7 July and went to Zhejiang on 8 July. He was to go to Shanghai on 9 July, but Shanghai Municipality blew up the Qianshengdang dike ahead of schedule at 1915 on 8 July (originally, it was scheduled for 9 July). If it had not done so, Shanghai would have been submerged in flood waters in the early morning of 9 July before Jiang Zemin arrived. According to an informed source, Shanghai Municipality blew up the Hongqi dam on 5 July to protect Shanghai and Nanjing

Thus Suzhou, Wuxi, and Changzhou were immediately flooded. A 1.8-meter-tall person found himself waist-deep in water. People could not live in houses or the ground floor of their apartments. Prior to this, the Taipu sluice-gate was opened on three occasions to let the water out. There was no time to inform the people living in dozens of counties around the Tai Hu. Some villagers climbed up a small earth mound, so small that they could not lie down or sit. Thus they stood there for three days and nights before some boats came to save them....

### Repercussions of Current Floods by No Means Smaller Than Tangshan's Earthquake

On 9 July, major newspapers in the country carried a XINHUA report of 8 July on the front page: Jiang Zemin inspected flooded areas in Anhui. A photograph was provided for this report, thus revealing more details about flooding in east China. On the same night the Central Television Station showed a picture of Shanghai Mayor Huang Ju giving instructions on the demolition of the Qianshengdang dam. The Chinese began to understand that they were really suffering floods. From this day on, news on serious floods in 18 provinces and autonomous regions was given conspicuous publicity by major newspapers on the mainland. Just overnight, the Chinese found out that the country was being hit by the worst floods in this century and that their compatriots had suffered for a month and a half. The repercussions were by no means smaller than the 1976 Tangshan earthquake. It was not until 16 July that CANKAO XIAOXI published foreign reports on China's flooding.

Jiang Zemin returned to Beijing after a three-day inspection and held a Political Bureau meeting on 16 July to make arrangements for relief aid. This was something which was in conformity with Li Peng's remark that "the CPC would not convene an important meeting this summer"—a remark he made at a news conference in the Great Hall of the People on 2 July prior to his departure for six Middle East countries. We should say that a meeting on providing relief aid to flooded areas is more important than any other meetings of the CPC.

On 6 July, the Chinese Government announced a disaster loss of \$7.5 billion and appealed to the international community for emergency aid. This was described as abnormal by foreign media. Unexpectedly, the Chinese responded coldly. They thought the third generation Chinese leadership would follow the beaten track of the 1976 Hua Guofeng administration if this leadership handled the problem this way.

What really inspired the Chinese people was hookup programs broadcast every night by the Central Television Station on generous donations made by Hong Kong, Macao, and Taiwan compatriots, Chinese residing in foreign countries, and some foreign governments. Needless to say, the Central Television Station was more interested in broadcasting mainland people's donations.

These serious floods, rare in 100 hundred years, have awakened the Chinese to a thought on how they should proceed with their modernization.

On the night of 21 July, the Central Television Station broadcast a program on an enterprise making a huge donation of 1 million yuan; when the donation box was opened, all were new banknotes. Some watchers said these new banknotes forecast a more costly economic price China will pay.

Qian Zhengying, who had been minister of water resources and electric power for 18 years and is now vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), made the following responsible remarks: The government cannot shirk its responsibility for the losses caused by this year's serious floods, which struck earlier than before. 1) In the early summer of this year, the government did not make mental or practical preparations against typhoons; 2) irrigation facilities are backward, and this has been even more true since the introduction of the individual contracted system in the rural areas in 1978; irrigation facilities have been in bad repair and no one cares about this; 3) ecological resources have seriously been destroyed.

#### **Three Focal Points in Personnel Adjustment During 14th CPC National Congress**

After the 4 June incident in 1989, the CPC authorities abolished summer offices in Beidaihe (namely, the Beidaihe offices of the CPC Central Committee, the State Council, the National People's Congress, the CPPCC National Committee, and the Central Military Commission). For the last two years, CPC leaders have persisted in performing their summer office work in Beijing. But this does not change Beidaihe's nature as a summer resort, because CPC gerontocrats still wish to go to Beidaihe to play mahjong. A focal point to be discussed during the 14th CPC National Congress will be the abolition or retention of the Central Advisory Commission. It was said that Deng Xiaoping and Chen Yun had proposed the abolition of this commission in 1992, but Peng Zhen and Li Xiannian subsequently strongly objected to this. So a compromise idea acceptable to Deng Xiaoping may be this: The Central Advisory Commission remains with Bo Yibo as its chairman, but provincial advisory commissions will be abolished. Now Heilongjiang Province has changed its advisory commission to advisory group. The second focal point is the candidates for the Political Bureau Standing Committee members. Reports say that the number of the Political Bureau Standing Committee members will be increased from six to seven. Yao Yilin will retire for reasons of old age and poor health (as vice premier, he did not appear even during Li Peng's Middle East tour or during the flooding). One of the two replacements is Yang Baibing (as a price of balance for Yang Shangkun's retirement), and the other is the candidate for premiership, the most prospective being Zou Jiahua. The third focal point is the candidates for the core of the fourth generation

leadership. People say all these candidates are prince party members, including Chen Yuan, Liu Yuan, He Pengfei, Wang Jun, He Ping, Bo Xuyong, Wang Qishan, Xi Jinping, Yu Zhensheng, and Lin Yanzhi, who will all enter the Central Committee. Some reports say that during a discussion, some people asked Deng Xiaoping if some of them should be selected to be alternate members. Deng Xiaoping replied: "What alternate members? Those who withstood the test of the 4 June incident are entitled to Central Committee membership." While meeting Zhejiang provincial leaders in Hangzhou in February, Chen Yun also said: "Leaders' children are reliable, after all."

The discussion on major issues including the personnel arrangement for the 14th CPC National Congress is likely to be postponed because providing relief aid has become a task of primary importance.

No matter what, heated controversy will be inevitable. After the 4 June incident, Deng Xiaoping was criticized by some gerontocrats, but in the spring of this year he had already waged counter-propaganda. An informed source said: "Deng Xiaoping always gains the initiative by striking only when others have struck."

#### **Top-Level Leaders Unanimously Say "Oppose Peaceful Evolution"**

In his late years, Mao Zedong laid down the principle of "continuing the revolution under proletarian dictatorship." After the 4 June incident, the CPC authorities once again mentioned the importance of guarding against "peaceful evolution." Since April this year, six Political Bureau members have time and again stressed the importance of opposing "peaceful evolution." Thus, guarding against "peaceful evolution" has become a fixed principle of the CPC.

In guarding against "peaceful evolution," the CPC has mentioned class struggle again internally and has waged cold war externally.

Jiang Zemin visited the Soviet Union on 15 May, during which the CPC disseminated a document from the Central Committee, which read: From now on, the 4 June incident will not be described as "turmoil" or "rebellion"; instead, General Secretary Jiang Zemin's description of the incident as a "political storm" occurring between the spring and summer of 1989 will be used. During his visit, Boris Yeltsin asked to meet Jiang Zemin but was turned down.

Yeltsin won the general election after Jiang Zemin returned to China. This produced strong repercussions among CPC policymakers. The CPC Central Committee subsequently changed its tune. It first decided that the 4 June incident must be described as "turmoil" and "rebellion." Jiang Zemin made these remarks within the party: "Some top-level party members want to reverse the verdict on the 4 June incident, and some said we inclined to the left during this incident. As I see it, there was no such thing as being leftist or rightist during the 4

June incident, the problem is whether we had done well enough. In my opinion, we had not done well enough, our party had not done well enough. If we had been more resolute and more clear-cut during the 4 June incident, the political influence would not have been so strong."

Subsequent to Jiang Zemin's return from the Soviet Union, the Beijing International Relations Institute sent a delegation to the Soviet Union. After a survey, the delegation returned and submitted to the CPC Central Committee a survey report like this: The prevalence of peaceful evolution in the Soviet Union rests on three kinds of people: 1) High-ranking party cadres who were punished during the Stalin and Brezhnev periods; 2) young and middle-aged intellectuals; and 3) ruffians and sluggards. The delegation suggested to the Central Committee the implementation of the following measures: 1) The first kind of people must be removed from office by election, rather than by administrative means; 2) deterrent against and control over young and middle-aged intellectuals must be strengthened; and 3) the third kind of people must be cracked down upon with an iron hand.

In June, a principal leader from the Central Committee made a speech at the Central Party School. He explicitly pointed out: An important task at present is to wage a struggle against reactionary forces in universities. Most of these reactionary forces exist among young and middle-aged teachers in universities. Whether or not the struggle against peaceful evolution will be successful depends largely on the effectiveness of our efforts in combating these bourgeois liberalization elements.

The CPC Central Committee also decided that there was a need to strengthen ties and cooperation with fraternal parties' comrades who persist in the Marxist-Leninist position, particularly with CPSU comrades. Through Jiang Zemin, Deng Xiaoping made this statement: "When our party and country were in a difficult period, Soviet comrades selflessly assisted us, therefore when Soviet comrades are in difficulties, we should also help them."

#### Economic Losses Serious

In the beginning of this year, the authorities began to speed up price system reform. Because the economic situation was grim, the state had to reduce the heavy price subsidies. This resulted in the development of the market economy. Serious flooding in east and central China will inevitably slow down price system reform.

Since 1986, state enterprises have incurred larger losses each year, and the proportion of revenue to the GNP and national income has gradually reduced. At the end of 1990, the proportion of enterprises' income to the GNP and national income was as follows: State enterprises 42.7 percent, collective enterprises 29.8 percent, individual enterprises 14.3 percent, joint ventures and wholly owned enterprises 13.2 percent. In other words, the income of enterprises of a nonsocialist nature exceeded by 14.6 percent compared with state enterprises' income.

Earlier in 1991, the Chinese Government announced that the economic situation was changing for the better, the foreign exchange reserve increased, and the unemployment rate (for the first four months) dropped by 2.8 percent compared with the same period of last year. Employment opportunities have been provided mainly by township enterprises and joint ventures. The areas in 18 provinces and cities seriously hit by floods are where township enterprises are located. Their serious losses will directly impact on the Chinese economy.

During a recent inspection of some provinces in northeast China, Zhu Rongji discovered that the situation was grim. Traditional industry, which previously constituted the solid economic basis of northeast China, was referred to as an economic giant. But large and medium-sized enterprises in northeast China have now become a heavy burden because they are rigidly restricted by the planned economic pattern. The Anshan Steel Factory incurs a loss of several hundred million yuan each year and the Daqing oil field incurs a loss more than one billion yuan each year. Large and medium-sized enterprises will continue to face bigger losses. How to make up the deficits of large and medium-sized enterprises still remains a difficult problem.

If unfavorable economic factors trigger off inflation in China, this could be a disastrous "flood."

#### State Council Spokesman on Good, Bad Communists

HK0908113591 Hong Kong CHING PAO in Chinese  
No 169, 5 Aug 91 pp 57

[Article by Ming Ping (2494 5493): "What Is Yuan Mu Reflecting Upon Again?"—first paragraph is CHING PAO introduction]

[Text] This article summarizes Yuan Mu's recent speech at the meeting of leaders of ministries, commissions, and departments under the State Council on celebrating the 70th anniversary of the CPC's founding. The speech has many parts which indicates that Yuan Mu is enormously proud and complacent and speaks in the tone of a leader giving instructions.

State Council spokesman Yuan Mu, who is also head of the State Council Research Office, has less chance to appear on television these days, and as far as I know, in light of overseas opinions, he avoided the limelight in March during the National People's Congress, and went to the grass-roots level for policy investigation. Furthermore, because the authorities have clear stipulations on central leaders appearing on television and in newspapers, he therefore did not show his face frequently. But Yuan Mu has not disappeared. Just as he recently said at the meeting of leaders of ministries, commissions, and departments under the State Council on celebrating the 70th anniversary of the CPC's founding. The party wants me to talk, I will talk; the party wants me to do, I will do. I am not afraid of offending those with erroneous ideas, and I am not afraid of offending the small number of those engaging in bourgeois liberalization in the country.

and I am certainly not afraid of offending a small handful of hostile politicians overseas and in the West.

#### **Enormously Proud of His Performance in 1989**

Yuan Mu said: In the past two years, I insisted on using Marxism to judge myself, the party Constitution to inspect myself, and the declaration on joining the party to make demands of myself; some comrades said to me, old Yuan, you have become one of the eight main targets for attack by hostile elements at home and abroad and by those who do not understand the truth. I said that is good, I can be one of the eight persons and that is very good. I am only a leading cadre of ministerial level, and there are more than 300 leaders senior to me. I have always inspected myself and reflected on myself. At this moment two years ago, when the country's fate was at stake, I stood up without hesitation, and stood in the front row protecting our party and our Republic, undergoing a grim test. The CPC Central Committee and the State Council have commended me, and I regard that as a qualifying certificate.

#### **Proud of Being Attacked by the Enemy**

Yuan Mu said again: Over the past two years, a small handful of those engaging in bourgeois liberalization in the country, a number of the so-called prodemocracy elements who have escaped to foreign countries, and the anti-China and anticommunism politicians and mass media in the West have never stopped attacking, slandering, and creating rumors against me; they even looked into my past and really used all extreme methods available. I understand that a certain number of people did this out of misunderstanding and sincerity. But another group of persons attacked me deliberately, and I am very proud of this. I wish the various kinds of accusations, swearing, and slandering could be louder and fiercer.

#### **Subversion Attempted by the West Should Not Be Taken Lightly**

Yuan Mu also said: If a communist or a leading party cadre is praised by those engaging in bourgeois liberalization or by the mass media of capitalist societies, it means you have begun engaging or have partly engaged in the way of capitalist society; if you are boosted and supported by the important politicians of the capitalist societies, it means you have already become or are gradually becoming the person looked for by the capitalist ruling class, or an agent of peaceful evolution, or one of the propaganda personnel working for the capitalist social system. We should realize that in every historical stage, the capitalist ruling class always takes subverting and interfering in socialist societies as the first big thing, and capitalist political parties and politicians would not blindly boost and praise a communist, just like the governments of the Western countries would not give us interest-free loans, or carry out trade with us based on a below-average profit rate, except when they want to dump on us their outdated, backward, and overstocked equipment. Likewise, the government of a

socialist country led by a political party of Marxism-Leninism would not praise Bush as the Gospel who brings peace to mankind and the world, nor praise Gorbachev as the Gospel among the Soviet people, though we have sympathy for Gorbachev's current situation and the Soviet people's difficulties.

#### **Exhorts Communists To Distinguish Three Choices**

Yuan Mu continued: In today's new historical period, every communist and leading party cadre has three choices. First, be a communist worthy of the name and strive for the communist ideal throughout his life; second, be an ordinary communist just in name and pessimistic and negative about communism and lose confidence in socialist society; third, be a communist who is not a real communist and who uses the name of the party and some official titles for egoism and pursue the way which pleases the bourgeoisie, a mutated element and a traitor in the rank of the party. I have seen quite a number of those who are openly doing this and are evolving.

#### **Commentator's Article Stresses Working Class**

*HK1208135291 Beijing RENMIN RIBAO in Chinese  
12 Aug 91 p 1*

[Commentator's article: "Realistically Carry Out Policy of Relying on Working Class"]

[Text] Today RENMIN RIBAO published a report on the Wuhan Steel Factory's marked achievements in wholeheartedly relying on the working class. Their experience is very good and worthy of attention.

Wholeheartedly relying on the working class is determined by the nature of our party and country and is a basic policy our party has consistently adhered to. As early as the Second Plenary Session of the Seventh CPC Central Committee in 1949, Comrade Mao Zedong explicitly pointed out: "We must wholeheartedly rely on the working class." Since the Fourth Plenary Session of the 13th CPC Central Committee, the CPC Central Committee with Comrade Jiang Zemin as the core has time and again stressed the importance of this principle and taken a series of detailed measures for its implementation. This has played a major role in promoting the steady development of China's politics, economy, and society.

Our party is an outcome of the integration of Marxism-Leninism with the Chinese worker movement. The party has natural, close ties with the working class. But this does not necessarily ensure that the party will always remain the vanguard of the working class. Only when the party consciously and wholeheartedly relies on the working class and maintains flesh-and-blood relations with it, can it preserve its class nature and advancedness. Since our party became the ruling party, particularly in face of the severe tests of reform, opening up, the development of commodity economy, as well as domestic and foreign hostile forces' attempt to practice peaceful evolution, whether or not the party consciously

and wholeheartedly relies on the working class has an important bearing on its destiny and future.

The working class is the leading class of our country. To realistically carry out the policy of wholeheartedly relying on the working class, first it is necessary to bring into full play the role of the working class in participating in and administering state and social affairs, on the basis of exercising party leadership over the state. There is a need to ensure that the working class will have more opportunities to participate in and administer state and social affairs and more rights to speak. While formulating economic and social development plans and drawing up economic and political structural reform programs, governments at all levels should solicit opinions from staff members and workers and take serious account of their opinions and suggestions. Trade unions should be invited to participate in the formulation of economic and social development plans; in the work of special departments of governments at all levels involving the personal interests of staff members and workers; in the formulation of major policies and measures involving their personal benefit; and in exercising effective supervision.

Our enterprises are socialist enterprises and workers are the masters of enterprises. Deepening enterprise reform, improving the enterprise leadership system, and strengthening enterprise management all requires wholehearted reliance on the working class. In enterprises, it is necessary to organically integrate the political role of party organizations as well as the adherence to and improvement of the factory director responsibility system with wholehearted reliance on the working class, to strengthen democratic management and make staff members and workers feel they are the masters of the state and enterprises. Contracting for enterprise operation should be a collective activity of operators, staff members, and workers, instead of the activity of a few people. Staff members and workers have the right to participate in the formulation of major policies for contract through certain organizational forms. The workers congress is the basic form of democratic management in an enterprise. There is a need to further improve the enterprise workers congress system so that its name matches reality. We should ensure the worker congress' functions and rights stipulated by the "Enterprise Law," and to gradually set up or improve the three-level democratic management network. Enterprises should carry out the principle of distribution according to work and really protect staff members' and workers' legitimate material benefit. Distribution plans should be announced, discussed, and approved by the workers congress, to end the practice of contractors making arbitrary decisions. It is necessary to recruit party members from among fine workers to strengthen party organizations on the production front. Attention should be paid to training and selecting cadres, particularly grass-roots cadres, from among fine workers.

Comrade Deng Xiaoping pointed out long ago that intellectuals had become a part of the Chinese working class. Wholeheartedly relying on the working class includes

relying on intellectuals, of course. Science and technology constitutes the first productive force. We should shift national economic development to the track of relying on scientific and technological progress and improving workers' quality. This will be impossible without intellectuals' efforts. Implementing the party policy on intellectuals and bringing their wisdom into play in serving the people is an important component of the policy on wholeheartedly relying on the working class.

The working class should also transform its subjective world in the course of transforming the objective world. Following the development of socialist modernization, there has been a major change in the composition of the worker contingent. It is very important to strengthen young workers' education. The awareness of being masters is an expression of the working class' class consciousness and is a deep understanding of class responsibility and class mission. It is necessary to carry out education among staff members and workers concerning patriotism, collectivism, socialism, the basic line, basic national conditions, self-reliance, and hard struggle, so they will constantly improve their consciousness and act as the leading class in undertaking heavy historical missions. It is necessary to improve the worker contingent's cultural and technological levels to bring about the intellectualization of the working class.

The trade union is a mass organization of the working class. It is a belt and bridge the party uses to build ties with the working class. The "Circular of the CPC Central Committee on Strengthening and Improving Work Concerning the Trade Union, the Communist Youth League, and the Women's Federation" is a programmatic document guiding trade union work. Party committees at all levels should follow the requirements of this circular in strengthening leadership over trade unions and helping them to proceed with their work independently and creatively. The tendency of neglecting trade unions' positive role in forming ties with the masses should be stopped and corrected. The idea that says forming ties with the masses involves only trade unions should also be stopped and corrected. Leading cadres of the party should frequently stay among the masses to directly listen to their opinions and demands and maintain close ties with them. They should all the more build ties with staff members and workers through trade unions. In this way our party will form closer ties with workers.

The second step strategic targets will be realized in the coming 10 years. This task is very arduous. As the principal body of modern production, the Chinese working class will undertake a heavy responsibility. The implementation of the policy of wholeheartedly relying on the working class will certainly help bring into better play the working class' initiative, overcome difficulties, and successfully push forward the great cause of building socialism with Chinese characteristics.

**Improved Party Work in Foreign-Funded Firms**

*HK1208024991 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1116 GMT 11 Aug 91*

[Text] Beijing, 11 Aug (ZHONGGUO TONGXUN SHE)—Zhao Zongnai, deputy head of the CPC Central Organization Department, said the other day: The attraction and use of foreign capital by China is not an expedient measure but the implementation of an important feature of the party's basic line. It is thus necessary to further improve party work in foreign-funded enterprises.

Speaking at a seminar on party work in foreign-funded enterprises, Zhao Zongnai said: Some foreign businessmen are concerned and suspicious about the setting up of party organizations. As long as we do our job well, take heed of the working methods and forms of activities, give full play to the pioneering and exemplary roles of party members, and show them that the work of the party organizations is also intended for the good of the enterprises, their attitudes will change and they will support the work of the party organizations.

He asked that party organizations be set up in foreign-funded enterprises where there are more than three party members; some fine elements may be recruited into the party if there are too few party members.

He said: The primary task of party organizations in foreign-funded enterprises is to carry out ideological education among Chinese staff members and employees and promote the party lines, policies, and measures among them; another task is to safeguard the national interest, uphold the legitimate rights and benefits of the employees, and supervise the correct implementation of all kinds of rules and regulations, contracts, and procedures.

**Military****Jiang Zemin, Li Peng Attend Film Preview**

*OW0908162691 Beijing XINHUA Domestic Service in Chinese 1010 GMT 9 Aug 91*

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 9 Aug (XINHUA)—After the movie "Liaoxi-Shenyang Campaign" was screened as the first part of a lengthy film on the history of the revolutionary war entitled "The Decisive Battles," the second part of this film, "Huai-Hai Campaign," has been completed by the 1 August Film Studio of the Chinese People's Liberation Army [PLA]. It will soon be screened in various parts of the country. Jiang Zemin and other leading comrades at the central level have praised this movie, saying that it is well made and is a successful work.

On the evening of 8 August, leading comrades at the central level, including Jiang Zemin, Li Peng, Qiao Shi, Ding Guangen, and Wen Jiabao, attended a preview of the movie "Huai-Hai Campaign" in the company of

Yang Baibing, secretary general of the Central Military Commission and director of the PLA General Political Department, and other comrades. With great delight, they posed with the screenwriters and film photographers for a group picture as a memento of the occasion. Jiang Zemin said: The movie "Huai-Hai Campaign" has successfully portrayed the great strategic decisive war thinking and the excellent commanding art of Mao Zedong and other proletarian revolutionaries of the old generation. It has extoled the immortal brilliant deeds of the millions upon millions of people as well as the commanders and fighters of the PLA.

Jiang Zemin pointed out: This movie is of high educational value. It makes us aware that the victory of our revolution was hard-won, and the socialist system has not come easily. We should do still better in inheriting and carrying forward the glorious tradition of our party and army. We should unite as one and struggle hard to win new victories in the drive for socialist modernization.

Comrade Li Peng said: The movie has brought us back to the unforgettable years of war. The victory of the Chinese Revolution was won at the cost of the blood of more than 20 million martyrs. It was the result of the efforts of the soldiers and civilians in the whole country to advance wave upon wave and fight courageously under the leadership of the Chinese Communist Party. All people of our country, the broad masses of young people in particular, should bear in mind this brilliant history forever.

Comrade Qiao Shi joyfully extended his congratulations on the success of the movie and expressed appreciation to the actors, actresses, and other personnel engaged in the production of this movie.

Before this, other leading comrades at the central level, including Yang Shangkun, Li Ruihuan, and Bo Yibo, watched this movie. Comrade Yang Shangkun spoke highly of the success of the "Huai-Hai Campaign." He said: The scenes of the Huai-Hai campaign were large, and its circumstances were complicated. It is rather hard to succeed in making such a movie. Now, as can be seen, the movie is quite successful. In particular, it depicts very well the tit-for-tat struggle between the two commanding headquarters represented by Mao Zedong and Chiang Kai-shek respectively. The movie has grand scenes and portrays very well the complicated circumstances at each stage. Yang Shangkun encouraged all film production personnel to keep up their good work and achieve success in shooting the "Beiping-Tianjin Campaign," which will be the third part of the film "The Great Decisive Battles."

Li Ruihuan said with praise: Like the previous movie "Liaoxi-Shenyang Campaign", "Huai-Hai Campaign" is of great length, and is rich in content. It is a beautiful revolutionary picture scroll of majestic scale and great momentum.

Comrade Bo Yibo also praised the movie for its fine production, and extended his congratulations.

Leading comrades of the Central Military Commission, Liu Huaqing, Qin Jiwei, Chi Haotian, and Zhao Nanqi, as well as those from relevant departments of the central authorities and the state; principal responsible persons of the General Staff, General Political and General Logistics Departments and major units based in the capital; and a number of veteran comrades and artists from the capital also viewed the movie.

The Huai-hai campaign was the second of a series of great and strategic decisive battles during the period of China's War of Liberation. In accordance with the directives of the party Central Committee and the Central Military Commission, Deng Xiaoping, secretary of the General Front Committee of the Huai-hai campaign, together with Comrades Liu Bocheng and Chen Yi jointly commanded our two large field armies in eastern and central China in the great battle over a vast region having Xuzhou as the center and extending to Haizhou in the east, Shangqiu in the west, Lincheng in the north and Huai-hai in the south. The campaign lasted 65 days, and the 600,000-strong PLA wiped out the Kuomintang army of 800,000 men, creating a glorious example in the history of war in which a smaller army defeated a larger one. From the viewpoint of historic materialism, the movie "Huai-hai Campaign" once again artistically depicts the entire course of this campaign.

### Jiangsu Leaders at Meeting on Flood Fighters

OW0708214091 Nanjing XINHUA RIBAO in Chinese  
30 Jul 91 p 1

[Article by Cao Jinhua (2580 6930 5478) and Liu Donggeng (0491 2639 5087); "Nanjing Military Region Holds Report Meeting on Deeds of Advanced Units and Individuals in Fighting Floods and Providing Relief"]

[Excerpt] Amid the majestic martial music of the Chinese People's Liberation Army [PLA], the Nanjing Military Region [NMR] ceremoniously held a meeting on the morning of 29 July to report on the deeds of advanced units and individuals in battling floods and launching relief operations.

Leading comrades attending the meeting included Li Jiulong, head of the task force of the Central Military Commission [CMC] and the PLA's three general departments and deputy director of the PLA's General Logistics Department; Central Advisory Commission members Du Ping and Xiang Shouzhi; NMR Commander Gu Hui; NMR Political Commissar Shi Yuxiao; Shen Daren, secretary of the Jiangsu Provincial CPC Committee; and Chen Huanyou, governor of Jiangsu Province. Li Jiulong was in the military region to extend his regards to soldiers engaged in rescue operations. Other leading comrades in attendance on behalf of the task force of the CMC and the PLA's three general departments and the NMR included Wang Yongming, Zhang Zongde, Lan Baojing, Wang Tailan, Cheng Jianning, Su Rongsheng, Zhang Shutian, Zhao Weiqian, Zheng Bing-qing, Pei Huailiang, Miao Guoliang, and Shi Shuizhou.

The meeting was chaired by Lan Baojing, director of the military region's political department. Commander Gu Hui first read the NMR's "Circular on Commending Advanced Collectives and Individuals in Fighting Disaster and Launching Rescue Operations." A total of 115 advanced collectives and individuals were commended. Deputy Political Commissar Wang Yongming read the military regional party committee's "Decision on Mounting an Extensive Campaign To Learn from Comrade Zhou Liping." [passage omitted]

### Military To Acquire Modern Electronics

HK0908033891 Beijing CHINA DAILY in English  
9 Aug 91 p 2

[By staff reporter Wu Yunhe]

[Text] China will pin its hopes on a newly-established syndicate to equip the nation's military with modern electronics products in the next five years, a senior official said yesterday.

The China Electronics Industry Corporation, which was established two months ago as a way to promote growth in the nation's electronics industry, convened its first national working conference in Beijing yesterday to plan the overall development of its military-related electronics industry.

Zhang Xuedong, general manager of the corporation told the opening session that a nationwide efforts must be made to work out a plan for the development of electronic devices for the military in the 1991-95 period.

He Guangyuan, minister of Machine-Building and Electronics Industry, echoed the call by urging participants at the six-day conference to help develop the programme.

The central government is concerned about the level of the nation's electronics systems which "is way behind that of Western countries." He said recalling the success of hi-tech weapon during the Gulf war.

The newly formed syndicate is in control of nearly 200 leading electronics producers, 50 research institutes, seven colleges and dozens of business and service companies, with a workforce of 370,000.

Zhang also introduced his development blueprint for the industry's next five years.

It includes more effort in the research and development of advanced technologies and a new generation of products with large-scale integrated circuits as the core and basic electronics devices and components as principal parts.

The corporation will pool its strength to develop micro-electronics technology, computers, communications, and sensors, which would facilitate the wide application of electronics products in the military as well as in the national economy in the next five years.

Zhang added that by 1995, the output value of the corporation should reach 27 billion yuan (\$5.1 billion), sales would reach 24.3 billion yuan (\$4.6 billion), and pre-tax profits would reach 2.7 billion yuan (\$509 million).

The corporation is also working to export a total of 2.7 billion yuan goods [as published] in 1995, he added.

The corporation's strategic policy is to involve itself in international competition, he said.

Zhang disclosed that his corporation is drafting a detailed export-oriented program, including the setting up of a global sales and service network, and plans to send its employees overseas for training to bring out a generation of young business people, well-versed in foreign trade.

The general manager predicted that the demand for military and civil products would be great, estimated at about 100 billion yuan (\$18.9 billion) in fixed assets during the 1991-95 period.

## 2d Artillery Corps Renovates Weapons, Equipment

*HK0808123591 Beijing JIEFANGJUN BAO in Chinese  
26 Jul 91 p 1*

[By Zhang Fusheng (1728 4395 3932), special correspondent Guo Qingsheng (6753 1987 3932); "PLA's 2d Artillery Corps Succeeds in Renovating Missiles, Equipment" with accompanying editor's note]

[Text] A number of weapons and equipment, which were renovated by the 2d Artillery Corps, passed a quality control test with flying colors after being inspected and examined. They have now all been put to use once more, effectively boosting the overall fighting capability of the troops. This undertaking received high praise from the leading comrades of the military commissions. On 8 July, the 2d Artillery Corps held a commendation meeting to honor advanced units and individuals involved in the renovation and repair work.

As the years went by, the validation dates of a number of weapons and equipment of the 2d Artillery Corps expired. Given the tight military budget, the 2d Artillery Corps decided to rely on its own technological forces to carry out renovation and repair at the fastest rate. They organized dozens of units involving the troops, schools, research institutes, factories, and military representatives' office and carried out renovation simultaneously. When an assembly plant in northwestern China received its renovation assignment, it had just moved into premises with little water, electricity, or installations. It then transformed the warehouse into a workshop and organized close coordination among the various units involved in the renovation task. Working with care and caution, the factory overcame one hurdle after another. In the past, because of the structural complexity of missile bodies and heads as well as the sophistication and cost of the equipment, the renovation and repair of missile bodies and heads were considered restricted areas. Today, adopting a scientific attitude and

aided by mass participation in terms of decision-making and actual work, experts and technicians overcame the hurdles and successfully completed the inspection and repair of missile bodies, equipment, and heads, achieving a stable, reliable, and flawless result. By the end of March this year, renovation and repair work were completed.

The 2d Artillery Corps' renovation and repair of equipment not only restored some expired weapons and equipment to an excellent technological state, but also garnered experience for the repair of all types and models of weapons and equipment in the future and created a skilled and versatile team in charge of repairing extraordinary equipment. Editor's Note: Be Imperative Under All Circumstances.

The 2d Artillery Corps' experience in renovating and repairing equipment by relying on its own efforts and restoring the combat effectiveness of this equipment should be emulated.

The repair and maintenance of weapons and equipment is an important guarantee of the birth, restoration, and development of fighting capability. In particular, the question of whether or not the Army's technical branches could carry out rapid repair and renovation of damaged, expired, and aging weapons and installations is one which is linked to the ability of the troops to wage war. At present, the armies of many countries have classified the swift repair of weapons and equipment in the battlefield as an important subject for study. We should pay great attention to this. With an eye to future warfare, it is imperative to carry out renovation and repair of equipment on our own under all circumstances.

## Article Reviews Novel 'Prisoners of War'

*HK0808125091 Hong Kong CHENG MING in Chinese  
No 166, 1 Aug 91 pp 75-77*

[By Lu Min (6424 2404); "Fate of Abandoned Sons of War: Practical Significance of Novel *Prisoners of War*"]

[Text] Along the Sino-Vietnamese border, big guns roared for years but have remained silent for a long time. Now, both Beijing and Hanoi are smiling again in reconciliation. To hundreds of thousands of People's Liberation Army [PLA] soldiers who once fought in the "self-defense counterattack along the Sino-Vietnamese border," this means they can eventually free themselves, and walk out of the caves in Laoshan to see the sky. As for "why they fought the war and for whom they fought it," it is not a matter they care about or are allowed to care about.

However, the consequences of war have not disappeared for this reason. In particular, after both sides exchanged POW's, the fate of those abandoned sons of war has become a topic of journalistic value. After reading the medium-length novel *Prisoners of War* (see "Selection of Medium-Length Novels," issue 1, 1991) by Shi Guoshi, an Army writer, I have a deeper feeling for the tragedy

and practical significance behind the war, which was "righteous" as publicized by the CPC.

Shi Guoshi is a professional writer who has served in the Army for 22 years. When talking about his motive for writing the novel, he said that it took four years from the time he pondered the idea to the time he finished writing and because it was very difficult. "I wrote with honesty, seriousness, and fatigue." Before he started writing, he set himself a principle—write more on actual happenings, less on abstract creations. Shi Guoshi frankly admitted that the novel is to air grievances for the POW's. He hoped that people could have a just attitude toward the problem.

#### The POW Who Becomes a Shame on the Family

The *Prisoners of War* does not have a complicated plot. Its main character, Sun Yonglong, returns to Xiangtan, Hunan after serving three years in the Army. But, because he returns home as a demobilized POW who had been taken captive during the self-defense counterattack against Vietnam, he is not greeted with flowers and smiles, but with disdain and ridicule. His mother, brother, and sister even think his being captured means he is a "coward" and brings shame on the whole family. His girlfriend, who had expected him to return with war merits, immediately leaves him and marries an Overseas Chinese who was 24 years older than she is, and leaves China. Sun Yonglong not only loses his dignity, but can not find a job. Thereafter, he meets his former squad leader, and learns that precisely because he raised his hands and surrendered to the Vietnamese soldiers who were so eager to bring him back to claim merits, the squad leader was thus covered and could accomplish his reconnaissance duty. For this reason, the squad leader was awarded a merit first class, and received an exceptional promotion to deputy company commander. He also joined the delegation of model heroes and went to various places in the country to make reports. The squad leader is a man with a strong sense of justice, and is outraged by the injustice done to Sun. As a witness, he writes four verification reports, which are submitted to the upper levels. But the result, which Sun Yonglong has expected all along, is that it is no use to write the reports, for his case was neither false nor wrong. His being captured is a fact as solid as iron. Therefore, the problem of correction or rehabilitation does not exist. With scars and a shell fragment in his body, Sun Yonglong understands that he is not the only one misunderstood by history, and that he must face this misunderstanding and keep on leading a hard life....

Pessimistic and tragic colors permeate the whole novel, which is obviously mingled with the author's reflection on war and sympathy for POW's.

#### "Being Captured" Is Just Like the Mark of Slaves in Ancient Times

The *Prisoners of War* has a special feature. That is, the author likes to use powerful analogies and go into the hearts of the characters, revealing the essence of problems while

describing the psychological activities of various persons. It has strong artistic appeal and is very moving. For example, the novel begins by depicting the homecoming trip of the lonely Sun Yonglong, who arrives at the doorstep which is familiar to him and yet he feels strange. The family is holding a great feast. The more joyful and lively the party, the more reluctant Sun Yonglong is to enter the house. He backs away from the door and goes to the lake, where he allays his hunger with bread under a small tree. He looks at the dim moon, and asks himself: "Have I committed any crime? What have I done wrong?" The novel continues: "He feels some kind of inexplicable sadness and melancholy. The words 'being captured' concealed in the dossier look like the brand on the face of a slave in ancient times, giving him a strong feeling of inferiority."

The novel's climax is when Sun Yonglong waits until all the guests have gone, then timidly enters the door. His overjoyed mother, sister, and brother greet him as if greeting an official with great merits, which creates more pain. After draining several cups of wine, he cannot control himself any more, and he kneels down and confesses to his mother that he "was a prisoner of war."

The novel vividly depicts the instantaneous and different responses of his mother Wang Yuehua, sister Sun Xiaoqin, and younger brother Sun Yonghu: "Wang Yuehua feels like her whole body is becoming weightless, like suddenly falling from the peak of a mountain to the bottom of a valley, and cannot grasp anything but just rapidly descending, descending...." "Xiaoqin...is scared at seeing her brother kneeling on the floor. She gapes and looks at him like a frightened small deer. She suddenly feels that her robust brother gradually changes into a dwarf." "'Good-for-nothing' Yonghu is so annoyed, and goes to his room to sleep." However, neither Yonghu nor Xiaoqin can sleep. "A POW returns to the family, and they feel uneasiness and shame as if a Vietnamese agent has sneaked into their home. It is shameful to be a deserter or criminal during war; nor is it graceful to be a POW. This basic concept was branded into their brains when they were in kindergarten."

#### The Psychology of Preferring Their Relatives Die on the Battlefield

The novel uses much space to say that people are accustomed to using "education given in the early days"—that is, government propaganda—the basic concept, which contains measures very popular in the years of ultra-Leftist campaigns. This is the hint foreshadowing later developments of Sun Yonglong's misfortune.

Sun Yonglong's mother, Wang Yuehua, is a character successfully created by the author. Why is Wang Yuehua scared so much by the harsh word "POW"? It is because in the past, her husband, Sung Yonglong's father, escaped from an enemy POW camp, and returned to his unit to continue fighting and gained war merits. But, after liberation, whenever there was a political campaign, he would become a "target." This man of revolutionary merits was demobilized carrying the stain of

"POW," and became the headmaster of a middle school. Whenever there was a campaign, he would write a speech to condemn himself, and take a basin of excrement to pour on his head, pretending to be very willing. Sung Yonglong's father was inspected for several decades, until he finally died, and there was not even a memorial speech. Wang Yuehua herself was once a rightist, the target for dictatorship, and she could not raise her head for several decades. That is why she is troubled by Sun Yonglong's capture. Deep in her heart, she has a strong idea that the father's humiliation must be redressed by the son. Therefore, she started carrying out "heroism education" for her eldest and smartest son since he was very young. When she learned that her son would leave for war on the Vietnamese front, she was extremely happy. She prayed day and night for her son, wishing that he would bring back war medals to wash away the humiliation suffered by the Sun family. Thereafter, the son did not write for a some time, and she was anxious, making various guesses: He has gained merits, awarded with a medal, hurt, sacrificed... But she never imagined his becoming a POW, without war merits, and being ridiculed by others. In her heart, she thinks it would be much better if her son had died on the battlefield and earned the name of "martyr," than becoming a POW and "burdening the family." However, the reality is that her son was not as generous and fearless as she had wished, which gives her a guilty conscience and makes her feel shameful. The novel gives a minute description of Wang Yuehua's psychology—from her understanding of the reality, she cannot but forgive her son; from her understanding of hero, she cannot forgive her son.

#### Great Pressure Coming From Every Direction

Sun Yonglong has disobeyed his mother just once, and it is related to his POW status. Wang Yuehua, who becomes much older in one night, convenes a family meeting in the capacity of an experienced person. To "unify the story," that is, to say to the outside world that Sung Yonglong was shocked by a bomb and lost consciousness, and when he woke up he was captured. They think they must not disclose to others that he raised his hands at gun point, because "raising your hands is of an extremely different nature." But Sun Yonglong refuses, saying that this is to cheat the organization. Wang Yuehua "suddenly feels that Sun Yonglong, whom she used to regard as very smart before, is stupid and a person she now hates very much."

Here, humanity and kinship compassion vanish, and is replaced by anger and disappointment caused by the disappearance of the garland of vanity. Wang Yuehua's worries are not unreasonable, for among the seven or eight soldiers in the alley she lives in, only Sun Yonglong really went to the front to take part in the fighting. Although the Sun family tried hard to cover up the "family's disgrace," information spread quickly. When the incident of Sun Yonglong being captured circulated, people guessed according to their own unique sentiments, ideas, and concepts for dealing with the world. They added colors and sound, to such an extent that the

whole town was covered with wind and rains. They said whatever they could imagine, such as "living off the state while secretly helping the enemy," "traitor," "selling the country's classified information and confidential military information," "he was originally designated for court martial, but the war was fierce on the front, so he was sent back to the locality for handling," and so on.

Listening to these insinuations, Wang Yuehua and Sun Xiaoqin could only lower their heads and go home to cry. Sun Yonglong was also very angry. He raised his fist and dashed out, but stopped at the door, because he realized other people had grasped his pigtail, and he could only punch the wall as a way to redress his grievances.

In fact, in Sun Yonglong's dossier, there is only the word "captured." It is that simple, while his case is normal demobilization. However, precisely because the conclusion is too simple, people have room for all kinds of unimaginable thoughts. Sun Yonglong feels he is terribly wronged and he himself is extremely dumb. Except the enemy, indeed no one has oppressed him. But "what happened to a man cannot be measured by a ruler or a steelyard, and it cannot be touched or seen. But it is on your body and in your heart. To get rid of it is to get rid of your body." Facing the great pressure which comes from all directions, Sun Yonglong is very sad. He prefers "some ultra-leftist experience," and being criticized by large and small meetings, or even have a dunce hat put on his head or going to jail for a few years would make him feel more comfortable.

#### Local Governments Use "Backward Policy" To Discriminate Against POW's

Director Xia of the appointment office is the person who really makes Sun Yonglong sad. According to policy, POW's should be treated like normally demobilized servicemen. But Sun Yonglong has been back over six months and been to the appointment office many times, only to find Director Xia saying that jobs will be arranged first for the demobilized soldiers with war merits, and later, even those who had not gone to the front have gotten jobs. He loses his patience and goes to question Director Xia. They have the following conversation:

"I have been on the front, and am now back under normal demobilization."

"Oh, Comrade Sun Yonglong. Please do not mention that, it is really shameful when you say so. You have been a POW and put your hands up in front of the enemy. What does it mean to put your hands up? You should understand. You are lucky because we no longer have the ultra-leftist campaigns. Had it been a few years before...."

"I was forced to at the moment."

"No one says you did it voluntarily. If you did it voluntarily, would not the court martial reward you with a bullet?"

"You are also a human being. Under such circumstances, what would you do if you were me?"

"If I were you, I would do it like Huang Jiguang and Liu Hulan. Why did not you think about the many revolutionary martyrs who never frowned under the enemy's butcher knife? Their faces did not change color and their hearts did not beat faster. Chopping off their heads to them was just like wind blowing off their hats...."

"I raised my hands as a stalling tactic."

"Who would not find himself an excuse?"

"..."

Sun Yonglong was so angry and could not say any more.

If we should say the complaints and gossips of his family, neighbors, friends, and relatives are out of ignorance, naivete, and not worth mentioning, then Director Xia's view cannot but represent the "organization." Policy is one thing, practice is another. This kind of "Chinese characteristic" has once again manifested here.

#### The Consequence of the CPC's Success in Inculcating the War Concept

After Sun Yonglong's girlfriend says goodbye to him, his sister Sun Xiaoqin is very angry, and condemns his girlfriend for being a mean person. Sun Yonglong himself is very calm, and thinks there is nothing wrong with her wanting to find a hero. Sun Xiaoqin said contemptuously: "You think she really loves a hero? No! She is in love with all the treatment that a hero can enjoy."

"In love with all the treatment that a hero can enjoy" is the novel's revelation point. To put it bluntly, the great difference between heroes (martyrs) and POW's is the outcome of the CPC's success in inculcating its war concept among the people. When heroes are deliberately boosted in propaganda, public opinion, and war literature, people cannot accept POW's in reality. In particular, it is worth mentioning that the characters described in the novel (including Sun Yonglong himself) have always consciously or unconsciously fallen into the way of thinking characteristic of the years of ultra-leftist campaigns. This kind of psychology of a modern Ah Q generally exists in real life, and is a stabilizer used by the CPC to rule the mainland.

Both generations of the Sun family have POW's. In a certain sense, Sun Yonglong is more unlucky than his father, who although once a POW, could still kill enemies and gain war merits, and serve as a school headmaster after mobilization. Although there was no memorial speech for him after he died, he could eventually be rehabilitated and be paid back wages. Sun Yonglong served in the Army three years, and won numerous citations. But people do not look at that. All they look at is the short moment of a few minutes when he was taken prisoner.

The whole squad had 12 soldiers. Some of them have become martyrs, some have become heroes, some have been promoted, and some have returned to school. Only Sun has ended up being and having nothing. Without a job, he can only go to the beach to carry sand with a pole,

working as a temporary hand under a temporary hand, and the shell fragment in his back causes him pain and makes him sweat.... However, life to Sun Yonglong is not that miserable. He only feels bitterness in his heart. In this era of need for worshipping heroes, the abandoned sons of war are doomed to never being "rehabilitated."

After reading the *Prisoners of War*, I opened the *Heroic Deeds in Laoshan*, which was publicized by the CPC, and I have mixed feelings. After this inexplicable war, many "nation-defending soldiers' souls" have been buried on the front in Laoshan. Time goes by, and the Friendship Gate on the Sino-Vietnamese border is now open once again, and people are bustling about doing civil trade. To them, the past chapter of history seems an "old dream which needs not be remembered"—the CPC never dared to face the history it writes, especially the history written with blood.

When we look at the other side of the story, however, if someone has become a "martyr," he can at least benefit his family and bring glory to his ancestors, while his descendants can enjoy the privileges which he bought with his blood. The most terrible thing is becoming a POW like Sun Yonglong; the flame of war has completely burned down the dignity needed by him and his family to be human beings.

#### Economic & Agricultural

#### Government To Enact Price Law To Reform System

OW1008133791 Beijing XINHUA in English  
1305 GMT 10 Aug 91

[Text] Harbin, August 10 (XINHUA)—China will enact a price law so as to ensure the smooth and orderly reform of the price system.

This was a decision made at a just concluded national conference discussing the legal system concerning commodity prices held in Harbin city, Heilongjiang Province.

Though China has formulated and issued 152 regulations and documents on price since 1979, it still lacks a price law and the people's sense of the legal system concerning prices is weak and the management departments has [as received] been unable to manage prices properly.

The conference held it essential to bring the management of prices onto the orbit of law so as to ensure the smooth and orderly reform of the price system.

The conference put forward four major tasks toward drafting a price law:

- to draft a price law and make preparations for its execution;
- to make publicity of the rules and regulations concerning prices;
- to take stock of the rules and regulations and standard documents concerning prices issued since 1979;

—to strengthen supervision over the execution of rules and regulations concerning prices and correct law-violating acts in price management.

### Poor Planning in Water Conservancy Revealed

*HK0708021591 Hong Kong SOUTH CHINA MORNING POST in English 7 Aug 91 p 21*

[By Willy Wo-lap Lam]

[Text] Flagrant flaws in China's water-conservancy system that have been exposed by the recent floods have buttressed the theory that the "socialist planned economy" is paradoxically most lacking in planning and foresight.

A key argument underpinning Deng Xiaoping's insistence that such an oversized and populous country as China must stick to central planning is that it enables the nation to "concentrate its resources on megaprojects that are essential to the welfare of the people."

Going by this logic, China should have excelled in water conservancy, specially the construction of a drainage and irrigation infrastructure along the Yangtze, Huai and Yellow Rivers, which have since antiquity been called China's scourges because of their periodic deluges.

Take, for example, the Huai, which was responsible for the havoc in Anhui and Jiangsu, the two worst-hit provinces this summer.

Chairman Mao Zedong had instructed in the early 50s that "we must tackle Huai River at all costs".

In the early 80s, the State Council ordered special funds of up to three billion yuan for taming the Huai. However, only one billion yuan has been spent on the unruly Yangtze tributary the past decade.

Independent analysts say in recent years, the central government has, in spite of its avowed emphasis on transportation, energy, and agriculture, earmarked little more than HK\$5.78 billion [Hong Kong dollars] annually on water works for the entire country.

The situation is so shocking that many cadres, specially those responsible for water works, transportation and fighting natural disasters, have tried to pass the buck.

Premier Li Peng, who was in charge of water resources when he was vice-premier from 1983 to 1987, twisted facts when he contended last month that the Communist Party had since 1949 "scored great achievements in curing" the Huai and other rivers.

Mr Li said the infrastructure was able to handle "disasters so catastrophic they only strike once in 40 years".

The Premier's assurance sounded hollow because last month the water works had succumbed to floods said to have been the worst in 100 years.

The vice-Chief Engineer of the Water Resources Ministry, Mr Xu Qianqin, has also defended the official

record by saying the "anti-flooding standards" of a country are tied to its level of economic development.

"China is a developing country, and it is unrealistic to expect that anti-flooding provisions will be so good they can withstand disasters that only strike once a century," he said.

Mr Xu disclosed that anti-flooding facilities in agricultural areas were only adequate for natural calamities that occurred once every one to two decades, and those in large- and medium-cities for mishaps that came once every 50 years.

In spite of the claims of Mr Li and Mr Xu, other leaders, specially those eager to reap political gains out of the floods, have scurried to start a mass campaign anchored on taming the rivers.

Leading the onslaught is party General Secretary Jiang Zemin, who is eager to use the occasion to demonstrate his leadership—and perhaps to undercut his rival, Mr Li.

"After the floods are gone, we must during the coming winter and next spring pull out all the stops to boost water-conservancy infrastructure building," Mr Jiang said in mid-July. "We must acquit ourselves well of projects that have a century-long import."

At an emergency meeting of the State Council last Friday, the cabinet agreed to set aside an additional one billion yuan for water-conservancy.

Regional cadres have demonstrated a comparable zeal. Anhui has committed 850 million yuan to wrestle with problems of the Huai.

And the State Planing Commission has issued a nationwide circular that puts a moratorium on "redundant capital construction" as well as the building of "offices, halls, hostels and hotels". Water works will have priority access to state funds.

Most important, the State Council is forging ahead with the controversial Three Gorges Project in the middle and upper reaches of the Yangtze. Mr Li and cadres in the Ministry of Water Resources have argued that damming up the mighty river is the only way it can be brought to heel.

Resettlement of the 750,000-odd people living in affected areas, mostly in Sichuan Province, has already begun.

Analysts give the administration credit for tackling the problem speedily. However, they are disturbed by Beijing's "Great Leap Forward mentality", a reference to over-impetuous efforts in the late 50s by Chairman Mao to "industrialise" China and complete the transition to communism in three years.

Moreover, as with other political movements, the anti-flooding campaign has been directed from the top and with minimal consultation with and participation by regions and individuals.

Western observers are doubtful that, given the record budget deficits, Beijing has the ability to bring the water-conservancy initiatives to a satisfactory completion. The Three Gorges Project was in the late 80s reckoned to cost 50 billion yuan.

Over-ambitiousness could result in dams and dykes which are as shoddy as Mao's "cottage steel mills" of the late 50s.

Moreover, it is a truism in engineering that maintenance is as important as the infrastructure itself.

In spite of the measly investment, China has since 1949 built an impressive array of dams and reservoirs which, in addition to "natural reservoirs" like lakes, should have served as creditable buffers against flooding.

However, because of neglect by central and specially local authorities, most of the rivers flowing into the reservoirs and lakes are clogged with silt.

Worse, in the past two decades, peasants have "reclaimed" parts of these lakes and waterways for farming and other economic pursuits.

As with administrations superstitious about the efficacy of planning, the Communist Party has been oblivious to the fact that, for any political or economic programme to succeed, enthusiasm at the grassroots must be stirred up.

Counties, villages and agrarian households have yet to be persuaded that they stand to gain economically for keeping the rivers clear of sediments.

Unfortunately, there are indications that as with the campaign to "industrialise" and "communalise" China, Beijing is resorting to heavy-handed state fiats.

Central planners led by Premier Li have long argued that the rural household responsibility system has undermined collective welfare, including irrigation and water conservancy because, freed from compulsory labour under the commune system, individual families are devoting all their energies to private plots.

Mr Li has since the June 4 massacre pushed vigorously for the abrogation of the household system, which was introduced by Deng Xiaoping in 1979.

Analysts say the recent flooding has given the central planners a god-sent excuse to recollectivise agriculture, which is a sure-fire way to undermine individual initiative.

Chinese intellectuals are even more alarmed by the Three Gorges Project, which has been vehemently opposed by economists and environmentalists, not to speak of the peasants whose villages will be inundated during the construction of the 185-metre dam.

They say preliminary work has started even though the project has neither been approved by the National People's Congress nor formally written into the Ninth Five Year Plan (1996-2000).

Mr Li and other members of the so-called pro-dam lobby have recently used their influence to muzzle the opposition. For example, until intervention by Deng Xiaoping, they sought to prevent the circulation of an open letter by noted scientist Qian Weichang.

Professor Qian, also Vice-Chairman of the Chinese People's Political Consultative Conference, pointed out that, especially in light of the Gulf War, the hydroelectric facility would become a major target should China come under air attack.

### Economic Situation 'More Goods News Than Bad'

*HK1208013491 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 31, 5 Aug 91 p 2*

[“Letter From Beijing” by Bao Xin (7637 0207); “Good News Mingled With Bad on Chinese Economy”]

[Text] Dear Brother:

In your letter, you asked me about China's current economic situation and plans for the second half of the year. Here I would like to tell you what I know about it.

This year, China's economic situation is still characterized by good news mingled with bad. But generally speaking, there is more good news than bad. In the first half of this year, there was a faster upturn and more steady development in the economy. The characteristics of China's economic development can be summed up as follows:

First, the relationship between general social supply and demand was further improved. In the past, China's economic situation was always characterized by supply falling short of demand. Last year, however, an abnormal phenomenon of economic depression appeared. Many products were overstocked. This year, after readjusting various fields, a basic balance has been achieved in the relationship between general social supply and demand. According to preliminary figures, the GNP of the first six months was 820.7 billion yuan, an increase of 6.1 percent over the same period last year. In the field of demands, the investment in fixed assets, the total volume of retail sales, and the total export increased respectively by 14, 12.8, and 18.5 percent, which played a positive role in invigorating economy.

Second, a new and bigger step has been made in economic reform. In the first half of this year, greater efforts were made to reform the economic structure. At the beginning, the stress was laid on readjusting the prices of steel products, crude oil, processed oil, coal, and railway transportation, especially the retail prices of grain and oil, which affect all families. The general level of retail prices only increased 1.8 percent compared with the same period last year. Enterprise reform is now being continuously deepened in a correct direction. In the effort to invigorate state-owned large and medium enterprises, the policy of merely offering money and materials has been changed to one of changing the operation

mechanism so that the enterprises may become independent commodity producers and managers assuming sole responsibility for their profits and losses. New achievements have also been made in reforming housing system.

Third, the financial and monetary situation is relatively stable and the income of both urban and rural residents has increased. In the first half of this year, both revenue and expenditure of the state increased, but the former was more than 2.9 billion yuan higher than the latter. Credit business was basically stable, and the currency withdrawal situation was good. Deposits of banks and rural credit cooperatives increased 192.7 billion yuan. From January to June, the average wage of workers throughout the country increased 11.6 percent, and the per capita cash income of the peasants reached 328 yuan, an increase of 10.7 percent. Under the situation where more currency had been withdrawn from circulation and the bank's interest rates had dropped, the savings deposits of both urban and rural residents still had increased 122.3 billion yuan at the end of June compared with the beginning of this year.

But the economic situation is still grim. The most serious problems are the low economic returns and the unrelaxed financial difficulties. In the first six months, although the output value and sales income of industrial enterprises had greatly increased compared with the same period last year, their profits had dropped 17.5 percent and that part of profits turned over to the state dropped 94.3 percent. The problems of overstocked products and "debt chains" are still serious. Moreover, there are also the phenomena of attaching importance to capital construction at the expense of production and stressing speed at the expense of quality. No significant steps have been made in the fields of developing new products and readjusting the industrial structure. It is estimated that this year's industrial growth rate is still a bit too high. Besides, the especially serious floods this year have also brought about great difficulties to economic development.

In view of this economic situation, the state will mainly promote the following work in the second half of the year:

1. To continue to exercise overall control and further improve the relations between social supply and demand. In this respect, more attention will be paid to some key links affecting the overall balance. For example, the scale of investment in fixed assets will be further controlled and the construction of those industrial projects which do not conform to the industrial policy and the construction of office buildings, halls, and museums will be further restricted. Measures will be adopted to appropriately control the growth of credit and curb the trend of fast growth in group consumption, which appeared in the first half of this year.

2. To promote agricultural production and strive for a better harvest this year. At present, great efforts are being made to fight against natural disasters. People in the disaster-afflicted areas are encouraged to provide for

and help themselves by promoting production and grasping autumn fields management well.

3. To appropriately control the industrial growth rate and stress readjusting structure and increasing economic returns. The policies and measures for invigorating state-owned large and medium enterprises will be further implemented, and great efforts will be made to break the "debt chains." Experiments in organizing and establishing large-scale enterprise groups will be stepped up.

4. To further carry out the "quality, variety, and efficiency year" activity, with stress laid on strengthening enterprise management and perfecting grass-roots work. Both quality and economic returns will be increased by improving management.

Obviously, reform will run through the whole course of all economic work. Economic structure reform will be further promoted to ensure a sustained, steady, and harmonious economic development.

[Signed] Bao Xin

[Dated] 28 July

### National Survey Shows 905 Enterprise Groups

*HK1108055991 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 11 Aug 91 p 1*

[By staff reporter Lao Zhu]

[Text] A national survey unveiled last week in Beijing shows that China now has 905 up-to-government-standard enterprise groups.

The survey, considered the most authoritative in the country, was conducted nationwide, except in Shanxi, Xinjiang, Tibet, Ningxia, and Hainan. It took the State Commission for Restructuring the Economy almost half a year to come up with the list.

The figure, which is called preliminary by the commission, is in contrast with earlier reports that there are 1,600 enterprise groups in China.

Economists with the commission say that the new list of conglomerates are up to the basic standards laid down by the government.

An enterprise group must be a number of enterprises with an economically strong umbrella firm serving as the legal representative of the group.

According to the commission report, the newly-designated enterprise groups are mainly located in Jiangsu, which has 155; Guangdong, 107; Shandong, 81; and Hubei, 45.

A total of 217 enterprise groups are in the machine-building industry, 24 per cent of the total; 203 are in light industry; 107 are in textiles; and 65 in electronics.

Economists describe these enterprise groups as the pioneers of the country's economic dreams in the 1990s.

Central government has made the development of enterprise groups a "strategic undertaking" for China in the 1990s, and the country's economists have an ambition to model them after Japan's Mitsubishi and Germany's Siemens in the future, starting this year.

Early this year, the government announced its plan to select 100 large enterprise groups as the "national task force." They will serve as experiments with a series of special policies, currently worked on by the commission, sources say.

The selected few will pioneer the country's effort to carry through a structural adjustment of its industrial sector and participate in international competition, economists say.

### Jan-Jun Foreign Funds Largely Absorbed

OW1108130791 Beijing XINHUA Domestic Service  
in Chinese 0229 GMT 11 Aug 91

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 11 August (XINHUA)—China is now in a new period of utilizing foreign funds on a large scale. The trend is especially noticeable in coastal open cities and special economic zones [SEZ]. According to the latest statistics, some 2,362 contracts and agreements on direct investment have been signed with foreign businesses in these cities and SEZ's, with \$780 million in foreign funds being actually put into use in the first half of this year, up by nearly 60 percent and 37 percent respectively, over the corresponding period of last year. Such a rate is rare for recent years.

It has been learned that foreign businesses have refocused their attention on the western Pacific, and specifically China, as China's political and economic situation is further stabilized. In the first half of this year, the number of newly signed contracts for direct foreign-invested projects in Shanghai, Tianjin, Qingdao, Ningbo and other cities all grew by more than 100 percent over the same period of last year. The actual direct investments by foreign businesses in Tianjin, Yantai, Nantong, Wenzhou, Zhanjiang, Zhuhai, and other cities grew by from one to five times; and the growth rates in Dalian, Fuzhou, Shantou, and other cities also grew from 35 to 76 percent. The attraction of Shanghai's new Pudong district is especially remarkable. The 52 newly approved "Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign-owned enterprises" in the district account for one third of the total new projects in the municipality. Industrial projects remain the major target of foreign investment and have a bright future.

### Bank of China Views More Foreign Firm Loans

HK1208010491 Beijing CHINA DAILY in English  
10 Aug p 2

[By staff reporter Yuan Zhou]

[Text] The biggest local bank specialized in foreign exchange in Beijing has promised more loans for the city's foreign-invested firms this year.

Gao Dianen, general manager of the Bank of China's Beijing Branch, said a "certain amount of additional loans" had been planned for "export-oriented, technologically-advanced foreign-invested firms with better economic returns."

Besides issuing more renminbi credit, the city bank would raise funds abroad and introduce more foreign government loans, mixed loans and buyer's credits, Gao said.

"We'll explore new channels for making use of foreign funds to serve the economic development in the capital."

Declining to give any specific figures about the projected increases, Gao said his bank's move was intended to encourage rapid development of foreign investment in the city.

During January-July period, Beijing approved 289 new foreign-funded firms, which were more than last year's total. Direct foreign investment was \$127 million.

According to first-half statistics from Beijing's foreign trade departments, exports by foreign-funded firms increased by 450 per cent over the previous six-month period last year.

The city exported \$673 million of goods during January-June period, fulfilling 67 per cent of the year's target.

Gao said that by the end of June this year, the city bank provided outstanding renminbi loans of 890 million yuan and foreign exchange loans of \$114 million to foreign-funded firms in the city.

These loans accounted for more than 60 per cent of the total that foreign-invested firms had borrowed from financial institutions, Gao said.

By the end of June, its renminbi deposits stood at 3.34 billion yuan, including 1.36 billion yuan in personal savings. Foreign exchange deposits were reported at \$1.09 billion, including \$560 million of personal savings.

The Beijing branch of the Bank of China has 110 offices and employs a staff of 2,100. Of the new foreign-funded firms approved this year, 268 are joint ventures and 18 are solely foreign owned firms.

Municipal officials said that 93 per cent of the new firms specialize mostly in electronic and communications equipment, instruments, machinery, textiles and chemical products.

Among the new firms, seven have foreign investment of more than \$5 million, 108 of between \$1 million and \$5 million and 174 below \$500,000.

The city so far has approved more than 1,100 foreign-invested firms with an investment exceeding \$4.4 billion.

**Foreign Exchange Transactions, Dollar Up**

*HK1208012991 Beijing CHINA DAILY in English  
12 Aug 91 p 2*

[By staff reporter]

[Text] China's foreign exchange swap centres have seen a surge in business in the first six months of this year as the U.S. dollar continued its rise against the yuan, according to the State Administration of Foreign Exchange Control.

Administration officials said the business boom stemmed largely from the government's decision this year to stop subsidizing exports and a soaring demand for imports, sending the U.S. unit higher.

Statistics show that the U.S. dollar in 12 major swap centres rose strongly against the Chinese currency now ranging between 5.83 yuan to 5.88 yuan.

Financial analysts predicted that the U.S. dollar would continue to gain in the latter half of this year as most of China's major import and export deals are usually concluded during that period.

China, which still exercises tight foreign-exchange controls, allowed limited dollar transactions beginning in the late 1980s as a way of helping foreign companies and foreign-funded enterprises in need of either U.S. dollars or the local currency.

There are now nearly 100 foreign exchange swap centres across the country, including one in Tibet.

Economists said that the exchange rates offered at the centres reflect the truer value of the yuan than the official rate of 5.33 yuan to the dollar.

In the first half of this year, \$8.75 billion passed through the swap centres, up 55.14 percent over the same period last year.

During that period, foreign-funded enterprises, bought \$1.48 billion and sold \$957 million at the swap centres.

Officials said that the central government's decision to allow companies engaging in foreign trade to be responsible for their own profits and losses and regain more hard currency has spurred the boom.

They said that demand for hard currency is very strong as companies buy U.S. dollars to import raw materials for agricultural and industrial production.

In the first six months of the year, a total of \$616 million was used to import chemical fertilizers, pesticides, plastic films, and diesel oil, up 75 percent over the same period last year.

Industrial enterprises swapped \$3.25 billion to import machinery and raw materials, up 51.29 percent over the same period last year.

The export-oriented enterprises sold \$609 million for 3.1 billion yuan to buy local raw materials for export.

Meanwhile, officials said that they have been trying to improve the methods and instruments for transaction deals at the foreign exchange swap centres.

They said that the bidding system adopted by the swap centres in cities such as Shanghai, Fuzhou, Xiamen, Shenzhen had been applied to Dalian, Haikou, and Hangzhou.

**Coastal 'Windows' Valuable for Inland Enterprises**

*OW0708142691 Beijing XINHUA in English  
0909 GMT 7 Aug 91*

[Text] Beijing, August 7 (XINHUA)—Opening branches in coastal areas has become the vogue in recent years for enterprises headquartered in landlocked western China.

"It should not be referred to as a kind of short-lived trend, because it means much more," said Zhu Zhenyu, director of the production office of the Gansu Electric Industrial Company.

Zhu said that his company has opened 14 distinct enterprises in Shenzhen and other coastal areas.

In the early stages the enterprises imported elements from overseas to assemble tape recorders and audio equipment. Now, however, they design and assemble 167 types of electric products which are sold throughout the country. In addition, a number of the products are being sold in Europe, the United States, Southeast Asia and the Middle East.

Last year, the total industrial output value of the 14 enterprises exceeded 139 million yuan, and they recorded profits of nearly 10 million yuan.

Profit is not the sole purpose of the enterprises, according to Zhu. The enterprises are really interested in co-operative ventures with overseas businessmen.

Zhu pointed out that the reason many overseas businessmen are reluctant to invest in western China is that they are unaware of conditions in that area.

The coastal enterprises have served as antennas or, as are popularly called, "windows" for the inland companies. They allow the parent enterprises to become acquainted with domestic and international markets, and provide an avenue for the introduction of advanced technologies.

Recent statistics show that over the past ten years, some 1,000 large and medium-sized enterprises and scientific research units from western China's Sichuan, Guizhou, Shaanxi, Gansu and Qinghai Provinces, and the Ningxia, Xinjiang and Inner Mongolia Autonomous Regions have opened over 1,500 "window enterprises." The new enterprises are located in the Shenzhen, Zhuhai, Shantou, Xiamen and Hainan Special Economic Zones, as well as in Guangzhou, Ningbo, Suzhou, Dalian, Lianyungang, and other open coastal cities.

The statistics also show 70 percent of the "window enterprises" are engaged in production and processing.

while the remainder is involved in commercial and scientific and technological development, and a number of other industries.

Zheng Shuxiang, director of the Xining Economic Co-operation Office of Qinghai Province, told a XINHUA reporter that many people have differing opinions and ideas concerning this trend, even though the central government has given the "green light." He said that some local governments feel it drains funds from their area which could be used for local construction projects that are in urgent need of money.

From 1953 to 1988, the central government invested over 350 billion yuan for capital construction in the western part of the country, thereby creating a large industrial production base in the region. However, since the country initiated the reform and opening policies a dozen years ago, these western enterprises, especially the machinery and textiles processing industries, have been faced with an unfavorable situation due to inconvenient transportation facilities and a lack of up-to-date information.

"Window enterprises help to overcome these unfavorable factors since they provide the advantage of a coastal outlet, as well as preferential policies and prompt access to information," said Zhang Zhenxi, director of the Shaanxi Economic Co-operation Commission. Zhang had just completed an inspection tour of 206 "window enterprises" established by enterprises from the province.

Zhang said that most of the "window enterprises" have been very successful. The introduction of overseas funds and new technology has also helped inland enterprises hasten the pace of technological development and product upgrading.

An official from the Chongqing Wuzhou Industrial Company said that his company has used its "window enterprises" in Shenzhen to establish close relations with over 60 companies from the United States, Italy, Japan, Germany, Taiwan and other countries and regions.

#### Industrial Output Figures for Jan-Jul Cited

OW1208080291 Beijing Radio Beijing in English  
to Western North America 0400 GMT 9 Aug 91

[From the "Current Affairs" program]

[Text] China's industrial production jumped 13 percent by July despite serious floods in many parts of the country. The latest state statistics showed that six provinces registered even higher growth rate during the first 7 months of the year. Here is (Yang Lei) with more.

The statistics showed that in July the total output of China's industries reached a value of 186 billion yuan or \$37 billion. That is a 13.4 percent increase over the same period last year. Overall production of the industries in the flood-stricken areas dropped slightly. However, in Anhui and Guizhou Provinces, production maintained a

slow increase of around 3 percent. State statistics official, (Liu Li), says the floods did not cause overall industrial reduction.

(Liu Li) says the floods caused comparatively small losses for urban industries, but rural enterprises suffered badly. In Jiangsu, Anhui, and Guizhou, rural enterprise losses made up two-thirds of the total loss in industrial production. The official explains, the reason for the imbalance was that local governments have adopted protective measures for big cities where industries are usually concentrated. (Liu Li) says that the value of industrial output loss is estimated at 4 billion yuan during July or some \$700 million. However, (Liu Li) points out that industrial growth in many parts of the country is still very high.

He says six provinces have seen their industrial growth exceed 16 percent during the first seven months of the year, 10 percentage higher than the 6-percent target. Of these provinces, Guangdong ranked first with a growth rate of 27.7 percent and Zhejiang second with a rate of 25 percent. In July, light industry reached an output production value of 87 billion yuan, rising 13.5 percent, whereas heavy industry recorded a 13.2 percent increase with an output value of 98 billion yuan. (Liu Li) attribute the high growth rate to the gradual recovery of the market and high expectation of the enterprises. He also notes that while efficiency is still low and stockpile still high, the high growth rate is not good news.

(Liu Li) says the high growth rate will undoubtedly lead to stockpile and cause difficulty in the circulation of funds. This in turn will lead to increase in demand for bank loans. He urges enterprises and local governments to control their industrial growth rate more closely and pay more attention to improving the production system and its efficiency.

For Radio Beijing, I am (Yang Lei).

#### Autonomous Regions' Stable Economic Growth

OW1108170091 Beijing XINHUA Domestic Service  
in Chinese 0105 GMT 11 Aug 91

[Report by Zhou Liang (0719 0081) and correspondent Zhu Hongjin (2612 7703 3160)]

[Text] Beijing, 11 Aug (XINHUA)—Our country's ethnic autonomous regions have made fresh progress in rectifying economic order, improving the economic environment, and deepening reform. Last year, they substantially raised their industrial and agricultural output, standard of key construction projects, exports, and living standards over the preceding year. Formerly backward and isolated ethnic areas enjoyed a golden decade of sustained and stable economic development during the "Sixth Five-Year Plan" and "Seventh Five-Year Plan" periods.

Our country's ethnic autonomous regions have accelerated their economic construction since reform and opening were

carried out. Statistics show that their gross industrial and agricultural output value rose by an average 9.7 percent each year between 1981 and 1989. The growth rate was much higher than that of 6.6 percent achieved during the 28 years between the "First Five-Year Plan" and "Fifth Five-Year Plan" periods. Last year's output value increased 7.1 percent over the preceding year, reaching 227.28 billion yuan.

Last year, governments at all levels in ethnic autonomous regions paid great attention to developing agriculture through scientific and technological progress and to increasing input in agriculture. This, coupled with good weather, led to bumper harvests in agriculture for several straight years. Total agricultural output value was 97.78 billion yuan, up 10.1 percent from the previous year. Output of grain, cotton, and oil-bearing crops also rose significantly. Conditions for agricultural production improved further. Agriculture, forestry, animal husbandry, sideline production, and fishery also grew simultaneously.

Despite considerable difficulties, these regions managed to achieve moderate growth in industry, thanks to active efforts to restructure the economy, readjust the product mix, and open up new markets. Total industrial output value amounted to 129.51 billion yuan, up 5.4 percent from the preceding year. Production of basic industrial goods and marketable daily-use manufactured goods developed rather rapidly.

Key construction projects proceeded smoothly in ethnic autonomous regions last year. The investment structure was readjusted to further expand agriculture, energy, and education. Four of Xinjiang's 24 large- and medium-sized projects were put into operation. It was the largest number of large- and medium-sized projects put into operation during the "Seventh Five-Year Plan" period. Of Tibet's 104 above-quota projects, 76 were completed and put to use. These included the Quda section of the Sino-Nepalese Highway and the Lhasa-Yamzho Yumco power transmission line. Plans were also completed for four centrally planned construction projects, including the expansion project of Gonggar Airport.

According to statistics, five autonomous regions signed a total of 138 agreements worth \$217.1 million on foreign investment in 1990, a 110-percent increase from the previous year. Key cities in such regions received 545,000 tourists, bringing in 420-million yuan worth in foreign exchange. The number of tourists and the foreign exchange revenue were respectively 5.5 percent and 108.5 percent more than in 1989.

Urban and rural residents in ethnic autonomous regions posted different levels of income increases and enjoyed higher living standards amid economic development. Their total retail sales volume was 78.06 billion yuan in 1990, up 3.7 percent from 1989. Price increases in the same year, however, were the smallest since 1984.

### Commentary on Copyright Protection

*OW0908172891 Beijing XINHUA Domestic Service  
in Chinese 0444 GMT 9 Aug 91*

[Commentary by XINHUA reporter Zhang Feifei (1728 7236 7236): "Use Law as a Weapon To Protect Copyrights"]

[Text] Shenyang, 9 Aug (XINHUA)—The lawsuit on the copyright for a song in the television drama series "Dream of the Red Chamber," which has caused a sensation throughout the country, has lasted four full years. Finally, the plaintiff, Wang Liping, who is a noted composer, has won the lawsuit, and the case has ended with the copyright infringer writing a letter of apology to the plaintiff and giving him a compensation for the loss he suffered.

It turned out that the dispute over the taped song from the television drama "Dream of the Red Chamber" spanned the periods before and after the enactment of the Chinese Copyright Law. It may be said that this case, along with the large number of disputes over copyright infringement, served as a "catalyst" for the finalization of the Copyright Law. On the other hand, the promulgation and enforcement of the Copyright Law obviously provided a more reliable basis and a better guarantee for the smooth progress in dealing with this particular case.

For a long time in our country, copyrights have not been given sufficient attention, and cases of plagiarizing others' literary works and scientific research achievements have occurred frequently. As for audio and video products, the problem of pirating and illegal dubbing has been especially serious. When a song became popular, publishing houses would vie to copy it. Many dubbed, imitated, and reproduced but tampered-with products would come into being, and you cannot tell which are real and which are fake. The byproduct of popularity of an audio or video tape is always pirating. The words "all rights reserved; reproduction to be dealt with" printed on the packages of the original audio and video tapes mean nothing to certain people. It was under such preposterous circumstances that the forged tapes of the song from the television drama "Dream of the Red Chamber" were published.

The Beiguo Audio and Video Publishing House in Liaoning put out the forged magnetic tapes when the drama "Dream of the Red Chamber" was shown on television. The purpose was to make money. It seems that the original intention was not to willfully infringe on the copyright. An analysis of the numerous law cases concerning copyrights reveals that only few cases are intentional infringement, while the majority of them are caused by dim awareness of copyrights and inadequate knowledge in this regard.

The cases of copyright infringement have become so common that even many copyright holders are not quite clear about their legal rights and interests. Moreover, dealing with such disputes often requires a lot of time,

energy, and even money. This is why, despite the frequent copyright infringements, very few cases have really been solved through lawsuit.

In spite of this situation, Wang Liping came out. As we recall, at the very beginning of the copyright dispute over the taped song from the "Dream of the Red Chamber," it attracted wide attention in intellectual and cultural circles across the country. They even viewed this as a yardstick to test whether copyrights could be truly protected by law in China.

At that time, people had different views and understandings about the dispute over the taped song from the "Dream of the Red Chamber," though it was an obvious case of copyright infringement. Moreover, each of the two parties involved had his own argument, causing the lawsuit to drag on for four years. Finally, a fair verdict has been delivered. The significance of this issue not only lies in that Wang Liping has won the lawsuit, but more importantly in the fact that it indicates that the law protects copyrights.

With the people's growing awareness of the copyright law, our country's law in this regard has been gradually perfected. On 1 June this year, the "Copyright Law of the People's Republic of China" was officially put into effect. This was a major event in the intellectual circles of our country. Since then, the rights and interests gained by the broad masses of people through writing, as well as other related rights and interests obtained due to their work in the fields of press and publications, art performances, audio and video production, radio broadcast, film-making, and television, have been put under the full protection of the Copyright Law. All acts of trampling upon, insulting, plagiarizing, and freely taking over the

intellectual achievements of others are subjected to investigation so as to determine the civil liabilities involved. This has provided copyright holders with a fundamental and powerful weapon to protect their legal rights and interests.

Nonetheless, the formulation and promulgation of the law does not necessarily mean that the protection of copyrights in China has been completely put on the legal track. Failure to follow the law and lack of strictness in enforcing the law have appeared before us as new problems. What we must do is to further strengthen our legislative work, strictly enforce the law, raise the quality and professional level of our law-enforcement personnel, and eliminate the meddling and interference in the work of our law-enforcement departments by various social sectors. In particular, it is imperative to heighten the awareness of the entire society about copyrights and to enhance the citizens' law-abiding consciousness through various channels and by all means.

To sum up, after a law has been enacted, there is an even more difficult process to have it truly enforced. However, we should not give up our efforts because the job is hard. On the contrary, just because the job is hard, it is necessary to pluck up our courage and make unremitting efforts to further develop and perfect our country's Copyright Law.

The song "Contracted Eyebrows" has caused a four-year dispute. Now, the song is gone, but the people have gained a common understanding from it: The publicity and implementation of the Copyright Law, the spread of the knowledge about it, and its enforcement are not only a duty of the legal and intellectual circles but a common responsibility of the entire society as well.

**East Region****Anhui Drafts Program To Contain Flood Waters**

*OW1108005891 Shanghai JIEFANG RIBAO in Chinese  
7 Aug 91 p 1*

[Report by Hu Zhigang (5170 1807 0474): "Anhui Proposes New Program To Rein in the Huai He; Fu Xishou Says It Will Be Executed as Soon as the Central Authority Approves It"]

[Text] The root of floods and waterlogging in Anhui—the Huai He—will be reined in further. According to recent remarks made by Governor Fu Xishou to this reporter, Anhui Province has put forward a new program to bring the Huai He under control. It will be executed as soon as the central authority approves it.

The structure of Anhui Province's present works for preventing flood and waterlogging was designed according to standards based on floods and waterlogging that occurred in 1954, as well as the distribution of population at that time. The maximum limit of the works' design was aimed at floods that occur once every 40 years.

This year's floods and waterlogging, however, were something rarely seen in a hundred years. The existing flood-prevention structure along the Huai He is made up of four main parts—namely, reservoirs, dikes and dams, flood-draining areas, and flood-storage areas. To prevent flood disasters from happening in the future, it is imperative to make further efforts to bring the Huai He under control.

According to sources, the new program proposed by Anhui Province has three main parts. First, the mainstream of the Huai He must be widened. Due to historic reasons, some sections of the Huai He are narrow, some meander, and some have been reclaimed to plant crops. The new program requires that the mainstream be straightened and widened, and the reclaimed land must be restored to its original state. One should not think only of short-term gains. Second, a new channel to divert water from the Huai He must be constructed—in other words, a new Huai He. Since 1981, a channel over 100 km long has been constructed between Fuyang's Cihetu and Huaiyuan, but, because of a number of reasons, the lower section was never built. The new program requires the construction of the section from Huaiyuan to Hongze Hu. This will become the second channel of the Huai He with a length of over 200 km. Once completed, it will greatly relieve the pressure on the Huai He's mainstream and ensure the safety of large and medium-sized cities along it. This project is expected to cost between 800 million and 900 million Renminbi. Third, a huge dam is to be built across the Huai He at Linhuaigang downstream from Wangjiaba. This dam will regulate the flow of water along the Huai He as well as operate the 18 flood-draining and four flood-storage areas. A floodgate costing 5 million yuan has already been built at this site. With this as a foundation, an additional investment estimated at 200 million Renminbi will be needed.

Furthermore, a large station will be built to drain floodwaters from low-lying areas along the Huai He.

It is reported that central leading comrades have preliminarily agreed to this program, and Anhui Province has proposed sending a large labor force to provide work as a form of relief.

**Mao Zhiyong Inspects Jiangxi Project**

*HK1108074191 Nanchang Jiangxi People's Radio Network in Mandarin 1000 GMT 9 Aug 91*

[Excerpts] On the afternoon of 6 August, while inspecting Nanchang City's old district transformation project, provincial party committee Secretary Mao Zhiyong said: The old city district transformation project to be built along the Yanjiang Road North is a very good one. I hope that the Nanchang City Party Committee and the Nanchang City Government will make this project a complete success.

During his inspection, Comrade Mao Zhiyong saw a model of the old city district transformation project, listened to reports by responsible comrades of the relevant city government departments, and showed great concern for and inquired about the progress of the project as well as the funds earmarked for the project, the resettlement of former residents, and other relevant issues. [passage omitted]

Mao Zhiyong said: The old city district transformation project to be built along the Yanjiang Road North is a very good one. The transformation and construction are expected to take a bit more than two years. By 1993, the Nanchang Bridge will be opened to traffic; thus will the transformation of the Yanjiang Road North be completed. Then Nanchang will take on a completely new look. I hope that Nanchang City will do this good thing even better.

After winding up his inspection, Mao Zhiyong gladly wrote the following inscription: Develop Yanjiang, Prosper Nanchang.

**Jiang Chunyun at Shandong Economic Meeting**

*SK1108062191 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 10 Aug 91*

[Text] On the morning of 10 August, the provincial party committee held an enlarged Standing Committee meeting especially to look into the provincial situation on economic operation and to discuss fully the economic efficiency of industrial production. The meeting's participants affirmed achievements, revealed contradictions, analyzed reasons, and set specific measures for improving economic efficiency. They pledged that in the coming four months they will concentrate leadership and energy on invigorating enterprises with a view to improving economic efficiency.

Jiang Chunyun, secretary of the provincial party committee, presided over the meeting. Attending the meeting were

Zhao Zhihao, Gao Changli, and Ma Zhongcai, deputy secretaries of the provincial party committee, and various Standing Committee members of the provincial party committee. Attending the meeting as observers were leading comrades of the provincial People's Congress Standing Committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference; and responsible comrades of pertinent departments. Leading comrades of the provincial government made a report on the provincial economic work situation from January to July.

The meeting's participants maintained: Since the beginning of this year, under the leadership of the CPC Central Committee and the State Council, the vast numbers of cadres and the masses throughout the province have overcome many difficulties, thus ensuring that the entire economic situation continues developing in a good direction. Major indicators are: The development trend of agriculture is very good; a record has been set in the output of summer grain; cotton is coming along fine; and a good harvest of autumn grain is in sight. Industrial production has grown at a moderate pace. From January to July, total provincial output value of industry at or above the township level was 105.445 billion yuan, an increase of 13.2 percent over the corresponding period last year. The construction of key projects has also met the demands of plans. The situation in the circulation of goods has obviously improved. From January to July, the total volume of retail sales was 37.24 billion yuan, an increase of 16.5 percent over the corresponding period last year, or higher than the average national level. Headway has been made in foreign economic relations and trade. From January to July, the province as a whole earned \$8.194 billion in foreign exchange from export, an increase of 7.2 percent over the corresponding period last year. Credit operation has been normal basically, financial revenues have increased somewhat, and the pace of scientific and technological progress and development of new high technology has been accelerated. In the first half of this year, the province as a whole invested 1.175 billion yuan in technological transformation projects, an increase of 38.73 percent over the corresponding period last year.

The meeting's participants maintained: Although the province's economic situation is continuously developing in a good direction, some deep-rooted problems in economic activities are being gradually revealed. Major indicators are: The economic efficiency of industrial production is not good enough. As of July, state-owned industrial enterprises covered by the provincial budget realized 2.473 billion yuan in profits and taxes, a decline of 2.93 percent from the corresponding period last year. Enterprises suffering losses numbered 462, 37 more than that in the corresponding period last year, or 26 percent of the total number of enterprises. The turnover period of capital was 4.53 days slower than that in the corresponding period last year. The capital occupied by finished products was 6.811 billion yuan, 1.333 billion yuan more than that in the corresponding period last year, or an increase of 24.3 percent.

After making a conscientious analysis of the provincial situation in the operation of the economy and the existing major problems during the January-July period, Standing Committee members of the provincial party committee pointed out: We should correctly analyze the current situation and seek unity in thinking among all people in the province. We should not only note the achievements already made, but also pay high attention to the problem of current economic efficiency of industrial production being inadequate. If we fail to change such a situation as quickly as possible, not only the financial balance of this year will be affected, the smooth fulfillment of the Eighth Five-Year Plan and the general task of the 10-year economic development will also be affected. This is not only an economic issue but also a political one. Party and government organizations at all levels in the province should fully understand this issue, and should concentrate leadership and energy on grasping economic efficiency until practical results are truly achieved.

Standing Committee members of the provincial party committee also pointed out: We should correctly analyze the low economic efficiency by seeking truth from facts. We should catch sight of not only external but also internal reasons. We should make an analysis of not only objective reasons but also, what is more important, subjective reasons. We should focus our efforts on finding shortcomings subjectively, and devote much time and energy to tapping internal potentials.

For this, the Standing Committee members of the provincial party committee stressed: In the next several months, we should pay attention to work in the following fields:

1. We should further foster the guiding ideology of focusing on improving economic efficiency when organizing industrial production, and should correctly handle the relations between growth rate and economic efficiency.
2. We should grasp the readjustment of structure in a down-to-earth manner, and accelerate enterprises' pace of changing from extensive management to intensive management. All enterprises of all professions and trades should aim at what is advanced to improve their quality and efficiency.
3. We should firmly grasp the circulation of goods, invigorate foreign economic relations and trade, and search for more markets at home and abroad. In the next four months, a breakthrough should be made in clearing up cross-debts, in checking the wanton collection of service charges, fees, and fines, and in dealing with overstocked products.
4. By persisting in the idea of science and technology being the primary productive force, we should vigorously grasp the development of intelligence, promote the application of new technology, and renovate existing enterprises.
5. We should pay attention to implementing policies and improving the external environment in order to provide even more services and an even better environment for enterprises.

6. Economic efficiency should go up, while leaders should go down. Leaders at all levels should go down to the grass-roots units and handle affairs on the spot in order to implement policies well. Leaders should grasp the work at higher and lower levels, and then bring along the work at the middle level. Leaders should give different guidance in different cases, and summarize and popularize successful typical cases in order to effect a fundamental turn for the better in the province's economic situation.

### **Shandong Conference on Clearing Up Debt Chains**

*SK0908121991 Jinan Shandong People's Radio Network in Mandarin 2200 GMT 7 Aug 91*

[Text] On the evening of 7 August, the provincial government held a telephone conference to arrange the work of clearing up debt chains within the boundaries of the province.

Ma Shizhong, vice governor of the provincial government and head of the provincial leading group for clearing up debt chains, stressed in his speech: We should grasp major contradictions, take both radical and stopgap measures for comprehensively eliminating these contradictions, and tackle the most difficult problems in clearing up debt chains.

After summing up the work of clearing up debt chains done in the previous stage, Ma Shizhong said: Although we have made some achievements, problems that debts bring in the course of clearing them up are still emerging because there is no effective mechanism for controlling new debt chains.

Incomplete statistics showed that so far, the province's debt chains total about 25 billion yuan. This has become a major factor affecting the development of enterprises and the economy.

Ma Shizhong set forth five requirements for clearing up debt chains.

First, we should upgrade our understanding and have strong confidence in clearing up debt chains. We must clearly understand that the economic order will land in chaos, it will be difficult to maintain social production, and the fulfillment of the Eighth Five-Year Plan and the realization of the second-step strategic goal will be affected if we do not adopt forceful measures to control the situation. Thus, leaders at various levels should approach this problem from this high plane. We must not in the slightest degree shake our will but persistently attend to the work of clearing up debt chains no matter what difficulties we face.

Second, governments at various levels should realistically strengthen organizational leadership over the clearing up of debt chains. Leading bodies and offices in charge of clearing up debt chains that were set up in various cities, prefectures, counties, and districts last year must immediately be restored and perfected, and rapidly engage themselves in their work to fulfill their

duty. All relevant units and enterprises should set up leading bodies in charge of the work and assign personnel to grasp it.

Third, we should foster the concept of taking the whole situation into consideration, and the sense of discipline. The money that should be paid must be paid on schedule. Neither artificially imposed barriers nor restriction of the clearing-up work in designated areas are allowed. Those who violate discipline and regulations must be handled strictly.

Fourth, in line with the principle that those who invest should take charge of clearing up debt chains and assume responsibility for repaying debts, we should carry out the system of responsibility for collecting funds from various channels. We must not shirk the responsibility of [words indistinct] toward the state for the sake of clearing up debt chains.

Fifth, we should closely link the work of clearing up debts with that of granting credits, be determined to stop the increase in new debts, and strictly ban the practice of developing new projects and initiating construction while we are in debt. The completed projects whose construction funds have not been paid to the construction units or whose equipment funds have not been paid to the goods supply units must neither go through acceptance tests nor be given construction qualification certificates. The enterprises with excessive deficits and the enterprises whose property cannot balance their debts should be closed down, forced to manufacture other products, or merged with other enterprises. Enterprises that do not stress confidence, pay no attention to final accounts, and are intentionally in arrears should be fined or prosecuted according to regulations. Those whose leaders should assume responsibility for the failure to repay the debts must be called to account but never be tolerated.

All local banks and credit cooperatives should strengthen supervision and examination, and strictly enforce the discipline of final accounts.

Regarding specific work in the last few months, Vice Governor Ma Shizhong pointed out: We must closely grasp the major contradiction of clearing up the gaps in the investment in fixed assets, and concentrate energy on tackling the most difficult problems. Only when we eliminate this contradiction will we invigorate the production of the trade engaged in means of production that has a bearing on the people's livelihood.

### **Shandong Holds College Discipline Meeting**

*SK0908140791 Jinan DAZHONG RIBAO in Chinese 20 Jun 91 p 1*

[Text] The provincial conference of the discipline inspection work undertaken by higher educational institutions was held in the city of Jinan from 18 to 19 June.

It was pointed out at the conference that by undertaking the important historic tasks of training the builders and successors of socialist modernizations, the higher educational institutions must discern the importance of discipline inspection work among higher educational institutions from the high plane of strategies between peaceful evolution and counter-peaceful evolution, between infiltration and counter-infiltration, between subversion and counter-subversion, and between scramble and counter-scramble.

It was pointed out at the conference that efforts should be made to uphold the principle of strictly running the party and to strictly investigate and handle cases of discipline violation. This is the central link of strictly enforcing discipline. We should emphasize investigation and handling of violations of the party's political discipline. The discipline inspection commissions of various higher educational institutions must take a firm and clear-cut stand in successfully managing their institutions, and should not allow anyone to spread the viewpoint of bourgeois liberalization on the platform, to leave without checking the words and deeds violating the four cardinal principles, to publicize bourgeois academic thought in the name of academic research, to cover up illegal things with legal ones and to engage in various unlawful activities under the pretense of mass organizations, and even to make things convenient for or provide places for those who are publicizing bourgeois liberalization. Party members who have openly opposed or negated the four cardinal principles should be resolutely dealt without leniency.

During the conference, participating personnel urged various higher educational institutions to enhance education of party style and discipline and to promote actively the program of building administrative honesty. The key to building administrative honesty lies in having the leadership grasp the work and in grasping leadership work. Efforts should be made to establish responsibility systems at all levels for building party style and administrative honesty, to enforce the management for the attainment of certain objects, to define responsibilities and targets realistically and clearly, and to implement tasks. The leading cadres of schools at all levels should discern the significance of building party style and administrative honesty from the high plane of enhancing the sense of classes, public servants, and hardship of the party in power; become examples in building administrative honesty, draw up high standards for and make strict demands on themselves; make a self-examination, actively be honest and well-disciplined; and should consciously accept the supervision of the masses.

#### **Wu Bangguo, Huang Ju Inspect Flood Areas**

OWJ008013891 Shanghai People's Radio Network  
in Mandarin 2200 GMT 8 Aug 91

[^Newsletter: Pass the Night Together in the Wind and Rain—An On-The-Spot Report on Wu Bangguo and Huang Ju's Inspections of Disaster-Stricken Areas in

Spite of the Rain" by (Guo Dakang), (Wang Guorong), (Dong Sheng), and (Wang Xiaoping), from the "Morning News" program]

[Text] On the night of 7 August, an extraordinarily serious rainstorm hit Shanghai, and some villages and towns in suburban Songjiang, Jinshan, and Qingpu Counties were hit by a tornado. Leading comrades of the municipal party committee and government, who are always concerned about the security of people's lives and property, went to the disaster-stricken areas immediately, giving condolences to the people and arranging relief work.

At midnight, Municipal Party Committee Secretary Wu Bangguo, Secretary General Wang Liping, Vice Mayor Zhuang Xiaotian, and other leading comrades went to a hospital in (Fengwei) Township, Jinshan County, by car, visiting those injured by houses collapsing as the tornado hit. Wu Bangguo said: We come to visit you and extend you condolences on behalf of the municipal party committee and government. Please do not worry, heal your wounds. The government will take care of other things for you.

Late at night, Wu Bangguo and other comrades arrived in (Shenli) Village, (Zhujin) Township, Jinshan County, which was severely devastated by the disaster. Stepping on the rubble, they inspected houses ruined by the tornado. Wu Bangguo told the accompanying leading comrades in the township and county: We must help the disaster victims and repair the ruined houses as soon as possible. I hope everybody will help each other overcome difficulties.

At midnight yesterday, Wu Bangguo and other comrades went to Songjiang County. After carefully inquiring of the injured people about their conditions, Comrade Wu Bangguo said: Priority should be given to rescuing human lives. Hospitals should organize the rescue work with all-out efforts. They can ask for rescue personnel from municipal-level hospitals if necessary. Badly injured people can be sent to (Huashan) or other large hospitals. He thanked the medical personnel for their tremendous efforts to rescue the wounded.

At dawn, the municipal leaders arrived in (Maogang) Township, which suffered the most serious damage from the storm. When Comrade Wu Bangguo was informed that the top of a (building) in Songjiang County, where over 12,000 tonnes of grain and oil were stored, had been blown away by the wind, he immediately instructed local leaders to repair it.

Wu Bangguo put forward four requirements: 1. Arrange the manpower well; 2. amass the construction materials and organize construction teams as soon as possible to help the people rebuild their homes; 3. give prompt assistance to damaged enterprises and cotton fields, and organize production work to provide for and help ourselves, and 4. be prepared to fight the spring tides on 12 and 13 August. We must care for each other and help those affected by disasters. In anti-disaster and relief work, members of the Communist Party must act as leaders and cadres must be the first to bear hardship to help the people overcome temporary difficulties.

At 0740, comrades of Songjiang County asked Comrade Wu Bangguo and others to eat some noodles in the reception center of the county party committee. However, Comrade Wu Bangguo said: It is late. I have to call relevant units to send people to do relief work when I go back. He then headed downtown by car without wasting any time.

At about 2200 on the night of 7 August, Huang Ju, deputy secretary of the municipal party committee and Shanghai mayor, and Deputy Secretary Ni Hongfu came to the Shanghai Municipal Flood Control Headquarters to be briefed on flood prevention work in the municipality. They then went by car to the districts of Jing'an, Yangpu, and Luwan, which are seriously affected by rainstorm. In the residential areas on (Jiaozhou) Road and (Anyuan) Road, Huang Ju and Ni Hongfu waded across flood water, which was higher than their knees, to visit citizens door by door. The citizens said: It is a surprise that the mayor still has not rested and has come to visit us in such narrow lanes. Mayor Huang Ju said: This rainstorm is an extraordinarily serious one and the first in 20 years. The rainfall in one hour has exceeded 120 mm. I have come to inspect the flood situation on behalf of the municipal party committee and government. Let us make joint efforts to overcome difficulties brought about by the rainstorm.

At 0130 yesterday, Huang Ju and Ni Hongfu arrived at No. 902 and No. 904 Lanzhou Road, Yangpu District. Residents of the houses thanked the mayor for his visit. They said: This rainstorm is a natural disaster. We will take the interests of the whole into account.

Since the road was blocked by the deep flood water, Huang Ju and Ni Hongfu got on a public bus barefooted, in spite of flood water as high as their waists, and rushed to the Shanghai Electrical Power Bureau on Nanjing East Road to visit employees, who remained on post to ensure safe power supply. He asked them to pay attention to the current situation and brave further challenges from God [as heard].

At 0345 yesterday, Huang Ju and Ni Hongfu rushed to the seat of Luwan District People's Government, besieged by flood water, to hear a report. Huang Ju said: This is a year of disasters. We must not be careless and should take precautions against the concurrent attack of rainstorm, spring tide, typhoon, and flood. He asked the relevant departments to ensure vegetable and food supplies to the citizens and organize manpower to maintain security in communications.

When Huang Ju and Ni Hongfu returned to the office of the municipal party committee, the sun was rising in the east. Leading comrades of the municipal party committee and government thus had spent an unusual night.

#### **Li Zemin, Others Call on Flood Martyr's Mother**

OW1108040391 Hangzhou Zhejiang People's Radio Network in Mandarin 0900 GMT 10 Aug 91

[Excerpt] Leaders of the provincial party committee and the provincial government, including Li Zemin, Ge

Hongsheng, Liu Feng, Xu Xingguan and Sun Jiaxian, and commander Yang Shijie of the provincial military district paid a courtesy call on flood martyr Zhou Liping's mother Zhu Meijuan this afternoon. She had just returned to Hangzhou from Jiangsu.

Li Zemin expressed solicitude from the provincial party committee and the provincial government to the martyr's mother and other family members. He said: Zhou Liping, an ordinary youth who had grown up to become a hero fighting floods, is the pride of the people of Zhejiang. The provincial party committee, the provincial government, and the provincial military district call on people to learn from Zhou Liping, emulating his noble character of serving the people selflessly and wholeheartedly.

Li Zemin said: In emulating the martyr, we should also learn from his bereaved family. In addition to bringing up a good son for the party and the people, you have donated the solatium to flood-stricken areas. Your spirit is commendable. It is a time to fight natural disaster and rescue victims. We should inspire the people throughout the province with the martyr's spirit, so as to win final victory in combating natural disasters. [passage omitted]

#### **Central-South Region**

##### **Guangdong Acting Governor on Curbing Malpractices**

HK1108073491 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 9 Aug 91

[Excerpts] The four-day Guangdong Provincial Work Conference on Controlling Three Malpractices [indiscriminate charges, apportionments, and fines] concluded today.

This morning, Acting Provincial Governor Zhu Senlin gave instructions on the work.

Executive Vice Provincial Governor (Lu Ruihua) made arrangements for next-stage work. [passage omitted]

In his speech, Acting Provincial Governor Zhu Senlin analyzed our province's economic situation in the first half of this year. He stressed: Controlling three malpractices is at once an important measure intended to extricate the economy from a dilemma and a matter of great importance to enlisting people's support and ensuring successful reform and opening up. Thus it is necessary to combine the control of the three malpractices with the straightening out of malpractices in various trades and professions, the resolute stamping out of malpractices in accordance with the law, and looking into both root causes and symptoms in order to ensure social stability and normal economic life.

#### **16 Killed in 'Massive' Nanning Explosion**

OW1008020591 Beijing XINHUA in English  
0132 GMT 10 Aug 91

[Text] Beijing, August 10 (XINHUA)—A massive explosion in Nanning, the Guangxi Zhuang Autonomous

Region, killed 16 people, injured over 80, and caused extensive damage to 29 houses, on Thursday.

According to the sources from the Ministry of Public Security, the explosion occurred in the home of Liu Fuguang, 70, while he was illegally producing gunpowder.

The sources said that the accident was caused by a "serious violation of the regulations on explosives".

Leading government officials from the autonomous region and Nanning City immediately went to the scene to coordinate investigation and rescue efforts.

#### Hou Zongbin Sends Messages to Henan Flood Areas

HK1108074291 Zhengzhou Henan People's Radio Network in Mandarin 2200 GMT 7 Aug 91

[Excerpts] Severe rainstorms and floods hit some areas of Tongbai County and Tanghe County on 5 and 6 August, inflicting serious losses on the two counties. Thanks to timely rescue and relief efforts, no casualties have been reported thus far.

On 6 August, provincial party committee Secretary Hou Zongbin and provincial Governor Li Changchun sent telegrams to these two counties, inquiring about the disaster situation and extending sympathy and appreciation to the disaster-stricken people.

Party and government leaders of Nanyang Prefecture as well as leaders of Tongbai County and Tanghe County have already gone to the disaster areas to direct relief work.

Preliminary investigations conducted in Tongbai County and Tanghe County showed that the rainstorms and floods, which struck on 5 and 6 August, have devastated 21 townships and towns and 0.27 million mu of autumn crops, knocked down 7,100 houses, cut off electricity and communications in 15 township and towns, destroyed 130 kilometers of rural roads, and caused direct economic losses totaling about 56 million yuan. [passage omitted]

The provincial party committee and government leaders are greatly concerned about the flood situation in Nanyang. Provincial Governor Li called on the prefectural party committee and administrative office to exert their utmost to make the disaster-resistance and disaster-relief work a complete success, minimize the losses caused by the disaster, enable people to tide themselves over difficulties by engaging in production, and make good arrangements for the livelihood of the people living in the disaster-stricken areas by all means.

#### Hubei Announces Family Planning Results

HK1108073391 Wuhan Hubei People's Radio Network in Mandarin 1130 GMT 8 Aug 91

[Excerpts] This morning the provincial government called a meeting to review the results of 1990 family planning in Wuchang.

Vice Governor Han Nanpeng stated how various localities had executed the 1990 family planning plan, for which a responsibility system was introduced under which all localities were committed to control the birth rate as planned, and announced the list of those who won prizes by acquitting themselves well in exercising birth control.

Yichang and Shashi Cities won first prize; Shiyan City, Enxi Autonomous Prefecture, and Yichang Prefecture won second prize; Wuhan City, Jingmen City, and Jingzhou Prefecture won third prize; and Huangshi City and Xianning Prefecture won the Qiushi [seek truth from facts] prize. [passage omitted]

A survey shows that in 1990 the provincial birth rate was 2.16 percent, down 0.3 percent as compared with 2.463 percent for 1989. [passage omitted]

#### Northeast Region

##### Sun Weiben Gives Instructions on Fighting Floods

SK1108064191 Harbin Heilongjiang People's Radio Network in Mandarin 0900 GMT 10 Aug 91

[Text] On the morning of 10 August, after hearing the report on flood control and rescue work delivered by the provincial flood-control headquarters, Sun Weiben, secretary of the provincial party committee, gave three important instructions.

First, with the arrival of the Songhua Jiang peak flooding in Harbin, dikes and dams needing reinforcement should be reinforced further without the slightest degree of slackness.

Second, during this catastrophic flood, our dikes and dams have gone through rigorous trials. What is more important is that in the coming floods, these dikes and dams should be able to continue withstanding the trials. To this end, we must depend on [words indistinct] and policy decisions of leaders.

Third, after going through the trial from this catastrophic flood, some problems have been revealed, and thus great efforts should be made to study and solve them.

When autumn comes this year, we must do everything to carry out water conservation projects, and the Heilong Cup emulation drive should be perfected further. It can now be said that we have won the first antiflood battle, but we cannot be slack in our work. We should continue to fight the floods for half a month in order to win the entire antiflood battle.

##### Shao Qihui Arranges Work To Cope With Flooding

SK1008143191 Harbin Heilongjiang People's Radio Network in Mandarin 0900 GMT 8 Aug 91

[Text] On the afternoon of 8 August, the provincial flood-prevention headquarters sponsored a telephone conference on combating the flooding and on hurrying to deal with the emergency. Governor Shao Qihui relayed the important speech given by Premier Li Peng during

his inspection tour in the province, and Vice Governor Sun Kuiwen relayed the spirit of the enlarged meeting of the provincial party standing committee.

It was urged at the telephone conference that party committees and governments at all levels should regard the current work of combating the flooding and of rushing to deal with the emergency as an overriding central task and make all-out efforts to implement the work vigorously so as to assuredly tide over the flooding.

Vice Governor Sun Kuiwen pointed out in his speech that at 0500 on 8 August, the water flow volume at the Harbin hydrological station was 2,300 cubic meters per second and its water level was 119.93 meters, 1.83 meters higher than the warning level and 37 mm lower than the guarantee water level, and rising. According to the latest analysis by the hydrological department, the water flow volume of flood peak in the upper reaches of the Nen Jiang has somewhat increased, and the speed at which the flood will peak has also been faster than expected. The Harbin hydrological station of the Songhua Jiang in the city will encounter peak flooding around 11 August; the peak water flow volume will be 10,500 cubic meters per second; and the water level at the station will probably reach 120.3 meters, which will be equal to the highest level previously reached in 1957. If the upper reaches of (?Fengman) He and the valley of Lalin He have torrential rainfall, the flooding is very likely to surpass the largest one in 1957. Other characteristics of the flooding in the upper reaches of the Songhua Jiang are the large water flow volume, the high water level, and the length of time of flowing, all of which will seriously threaten the dams and dikes along the rivers.

Sun Kuiwen said in his speech that we should upgrade the basic work of flood prevention to the height of preventing a catastrophic flood. According to the current flooding situation, we should truly prepare for the worst and strive for the best and make good preparations to combat the flooding by bearing in mind the standard of combating a catastrophe. The Songhua Jiang sections north of Harbin city should prepare to combat 15,000 cubic meters per second of peak flooding. The river sections south of Jiamusi city should prepare to combat 18,000 cubic meters per second of catastrophic flooding. To prevent such a large flood with the existing dams and dikes, we should mainly depend on hurrying to deal with the emergency. Whether we can succeed in dealing quickly with this emergency will mainly depend on the volume of prepared earth. Therefore, cities and counties in the upper reaches of the Songhua Jiang should reinforce their dams and dikes from 3,000-5,000 cubic meter of earth per km to 5,000-10,000 cubic meter of earth. The reinforcement of dams and dikes is aimed not only at quickly dealing with a possible emergency but also at raising the height of these dams and dikes to improve the embankment standard.

In referring to the province's agricultural production in his speech, Vice Governor Sun Kuiwen pointed out that a number of localities across the province had been plagued with serious flooding and waterlogging. The key

to whether we can fulfill the state assignment of 20 billion kg total grain output this year lies in successfully doing our work. The provincial party committee and people's government contend that as long as the weather is normal in the latter half of this year, we have conditions to realize total grain output of 20 billion kg.

During the telephone conference, Governor Shao Qihui delivered a speech in which he made more arrangements for meeting the large flooding and successfully rushing to deal with the emergency.

Governor Shao Qihui, in his speech, urged various localities to make all-out efforts to watch carefully the 122 dangerous and weak points of embankments, to increase the labor forces to improve these points, vigorously and rapidly, and to assign experienced leading personnel and cadres to join in the watch. Those who have caused the breaching of these dams and dikes due to negligence should be dealt with by calling their leadership to account. Attention should be paid to guarding the embankment from being hit by the wave caused by rainstorm, and we should do a good job in making various preparations for protecting dams and dikes. Particularly after the decline of flooding, by no means should we become inattentive and slack so as to ensure safety in tiding over the flood season.

Shao Qihui stated in his speech that although our province had been plagued with relatively serious disasters and in view of the province as a whole, most localities, particularly major grain productive counties, had good crops. By excluding the threat of early frost, our province hopes to reach total grain output of 20 billion kg. The idea of combating the disaster to reap a bumper harvest must be unshakable, and by no means should we become slack in field management as long as the crops have not been harvested. In particular, crops have lost the effective (?nurturing) in the early stage of growth, and there are also more varieties of early-maturing crops. Therefore, it is imperative to adopt various effective measures to help crops ripen earlier. The current urgent task is to rush to harvest the wheat crops, to [words indistinct], and to accelerate harvesting. Wheat crops in waterlogged fields should be harvested as much as possible and we should adopt every possible way to reduce losses and vigorously increase incomes earned from the increased output.

Concluding his speech, Governor Shao Qihui emphatically pointed out that preventing catastrophic flooding and combating catastrophic disasters still represent the foremost task. Leadership at all levels must make work arrangements, in line with the task, the center of their work schedule; they should formulate an overall plan with due consideration for all concerned. A good job should be done in combating flooding, carrying out disaster relief, making good and varied preparations for meeting catastrophic flooding, and winning an overall victory of preventing flood on the one hand; as well as grasping industrial and agricultural production, promoting the stable growth of industry, trying for a bumper agricultural harvest, and maintaining the sustained

development of the economy on the other. We should uphold the principle of grasping these two tasks simultaneously and of delaying neither one.

During the telephone conference, the participating comrades also put forward specific demands for the work of having the flood-stricken areas help themselves by engaging in production, making arrangements for 300,000 flood-stricken people, and maintaining public security and carrying out social protection.

#### **Harbin Armed Police Guard Flooded Areas**

*OW1208121791 Beijing XINHUA in English  
1029 GMT 12 Aug 91*

[Text] Harbin, August 12 (XINHUA)—The Heilongjiang armed police have been going all out in the past days to keep communications open in the flood-stricken areas of this northeast China province.

Especially, they have been safeguarding railway bridges and tunnels day and night.

At midnight August 3 a sudden rainstorm caused a severe landslide in a 4,000 m tunnel, blocking it just before a train was scheduled.

But the policeman on duty fired an alarm shot and reinforcements rushed to the spot and succeeded in clearing the tunnel in time.

On August 5 a camp of the armed police safeguarding the Nanling Bridge was completely flooded and cut off from their provisions. However, the policemen stood fast at their posts at the bridge. When the passengers on the trains saw that they lived in the open along the railway, many of them were so moved that they threw them food from the train windows.

**Official on GATT Reentry, Taiwan Participation**

*HK1108043391 Beijing CHINA DAILY  
(BUSINESS WEEKLY) in English 11 Aug 91 p 1*

[By staff reporter Yan Ling]

[Text] China expects "substantial progress" to be made this year for its re-entry to the 102-nation General Agreement on Tariffs and Trade (Gatt), according to a foreign trade official.

In the meantime, however, he reiterated the country's policy towards Taiwan's participation in Gatt, saying that "only after China resumes its seat as a founding member of the Gatt, can Taiwan commit its participation as a separate customs territory of China."

Li Zhongzhou, an official in charge of Gatt Affairs in the Ministry of Foreign Economic Relations and Trade (Mofert), said the government was preparing a detailed report on the country's economic reform programmes after 1989 for the 10th meeting of the Gatt Working Party on China, which is expected to open sometime in the autumn.

"The report will be a supplement to the earlier reports on our open policies and reform plans before 1989, and we have initiated more reforms in many aspects since then," he said in an interview with Business Weekly.

The preparation of the report is at the request of many Gatt members who have shown interest in China's continued economic reforms during extensive discussions last month when Mofert dispatched a nine-member delegation to Brussels and Geneva for talks on the country's re-entry.

"During our nine days in Europe, we met with the representatives of EC countries and those from the United States, Japan, Canada, Finland, Australia, Sweden and New Zealand, and many of those countries are showing a positive attitude towards our resumption into the world trade body," he said.

Sources said that China's Vice-Foreign Trade Minister Tong Zhiqiang is expected to lead a delegation to the United States next week for talks with his counterparts on many trade issues, including the country's Gatt seat.

Since the beginning of this year, China has exchanged views with many developing countries on various occasions "and we can say we have full support from the developing world for our rejoining the Gatt."

"We hope the coming 10th round of meetings will be the beginning of substantial progress, touching on such specifics as the obligations that China should take after its seat is resumed," he said.

Li said that "we have noticed the recent intensified lobbying by the Taiwan authorities to enter into Gatt, taking advantage of the lengthy debate in the U.S. Congress over whether to extend most-favoured-nation trade status to China."

Taiwan's application for Gatt was submitted on January 1, 1990.

"Taiwan can participate in Gatt as a separate customs territory of China and this needs the Central Government's authorization. This is not only a political but a legal issue that cannot be sidestepped," Li said.

"Seeking international intervention is futile and is not conducive to the solution of the issue. It will only complicate the whole thing."

"Taiwan is indulging in wishful thinking if it believes it might get approval by a two-thirds majority of Gatt members," Li said.

"We have always said the Taiwan authorities were welcome to sit down and talk with us on any issue of bilateral concern."

"So long as both sides sit down and talk things out in a relaxed atmosphere, a solution to any issue, including Taiwan's participation in Gatt, could be worked out."

**Mainland Red Cross Officials Depart for Taiwan**

*OW1208043591 Beijing XINHUA in English  
0302 GMT 12 Aug 91*

[Text] Beijing, August 12 (XINHUA)—Chinese Red Cross officials Qu Zhe and Zhuang Zhongxi flew to Taiwan this morning to visit the 18 mainland fishermen detained in Taiwan after the July 21 incident and to seek a solution to the issue through consultation with the relevant Taiwanese departments.

Qu Zhe is the deputy secretary general of the Red Cross Society of China (RCSC) and Zhuang Zhongxi is the deputy head of the RCSC's policy and theory research office.

Accompanying the Red Cross officials were Fan Liqing of the XINHUA NEWS AGENCY and Guo Weifeng of the China News Service.

RCSC Vice-president Gu Yingqi, who was present at the airport to see off the group, told reporters that the people on the mainland, especially the people of Fujian Province and other coastal areas showed great concern over the matter and hoped it could be settled timely and reasonably.

"I hope that the RCSC representatives would reach Taiwan smoothly, get to know about the situation and seek a reasonable solution to the problem through consultation," Gu said.

Gu Yingqi expressed the hope that China Red Cross officials would meet the Taiwan Red Cross friends and expressed, on behalf of the RCSC and himself, thanks to the Taiwan Red Cross Society and through it to the people of Taiwan for their concern and aid for the people in the flooded areas on the mainland.

On July 21, a fishing dispute took place between Fujian fishing vessels "Minshiyu 2294", "Minshiyu 2295" and the Taiwan fishing vessel "Sanxincai". Afterwards, the

two mainland vessels were escorted to Taiwan by the Taiwan Navy. The Taiwan authority announced that the mainland fishermen would be charged with piracy.

After the incident, spokesman of the Ministry of Agriculture of the People's Republic of China told about the incident and the RCSC decided to send representatives to Taiwan to see the detained mainland fishermen and seek a settlement. The XINHUA NEWS AGENCY and the China News Service also decided to send reporters to accompany the Red Cross representatives.

After repeated representations, the Taiwan side in the end agreed, but the number of RCSC representatives was cut from the proposed three to two.

### Taiwan Bars Entry

OW 1208075491 Beijing XINHUA in English  
0743 GMT 12 Aug 91

[Text] Beijing, August 12 (XINHUA)—Chinese Red Cross officials Qu Zhe and Zhuang Zhongxi were stopped at Kai Tak Airport in Hong Kong today on their way to Taiwan from Beijing.

Qu Zhe, deputy secretary general of the Red Cross Society of China (RCSC), and Zhuang Zhongxi, deputy head of the RCSC's Policy and Theory Research Office, left Beijing this morning to visit the 18 mainland fishermen detained in Taiwan after the July 21 incident and to seek a solution to the issue through consultation with the relevant Taiwanese departments.

According to a spokesman for the Cathay Pacific airline, the Taipei office of Cathay Pacific was instructed by the Taiwan authorities not to allow the two Chinese Red Cross officials to board the plane, without giving any explanation.

Staff members of the Hong Kong office of the XINHUA NEWS AGENCY are carrying on negotiations with the Taiwan side about the problem.

### XINHUA Correspondents Sent

HK1208043491 Beijing XINHUA Hong Kong Service  
in Chinese 0230 GMT 12 Aug 91

[Text] Beijing, 12 Aug (XINHUA)—Chen Boliang, XINHUA Taiwan Affairs Office director, discussing XINHUA's sending correspondents to Taiwan to cover

the fishing dispute, stressed today that as Taiwan authorities have not revised to a reasonable and practical degree the regulations governing mainland correspondents' visits to Taiwan for coverage purposes, the fact that XINHUA has decided to send its correspondents to Taiwan is a special measure as a result of the urgent need by people on both sides of the strait to learn the truth about the detention of the Fujian Province fisherman and their fishing boats.

XINHUA correspondent Fan Liging and ZHONGGUO XINWEN SHE correspondent Guo Weifeng left Beijing for Taiwan this morning, traveling with two representatives of the Red Cross Society of China [RCSC] on the same plane. They are going to cover the incident over the detention of the 18 fishermen from Fujian Province and their two fishing boats by the Taiwan authorities.

Since the "21 July" fishing dispute between Taiwan and the mainland occurred, families of the 18 Fujian fishermen detained by the Taiwan authorities have showed great concern over their situation. Vast numbers of fishermen along the Fujian coast and all sectors on the mainland, moreover, also earnestly hope to learn the truth. They are worried whether a just and reasonable solution to the matter can be found.

Chen Boliang said: Since the Taiwan authorities have, for a long time, made all kinds of unreasonable regulations governing mainland correspondents' visit to Taiwan for coverage purposes, the hope of the press circles on the mainland, including XINHUA, to visit Taiwan for coverage purposes has never been fulfilled.

Director Chen Boliang said: After XINHUA had suggested sending correspondents to accompany RCSC representatives to Taiwan, some press units of Taiwan expressed their willingness to assist XINHUA correspondents with their entry to Taiwan. Then XINHUA entrusted CHUNG-KUO-SHIH-PAO [CHINA TIMES] with the correspondents' entry formalities. He expressed thanks to CHUNG-KUO-SHIH-PAO, LIEH-HO-PAO, and other press units for helping XINHUA during the process.

Director Chen Boliang also said: We are glad to see that press circles on Taiwan and the mainland will make new contributions to increasing understanding between people on both sides and to promoting the reunification of the motherland at an early date.

**Visit of Two Mainland Journalists Okayed**

*OW0908113091 Taipei CNA in English 0808 GMT  
9 Aug 91*

[Text] Taipei, Aug. 9 (CNA)—The Government Information Office [GIO] Thursday approved the *China Times*' application for permission to invite two mainland Chinese journalists to Taiwan for a brief visit.

The two journalists are Fan Liqing, 36, deputy chief editor of Hong Kong and Macao News of the XINHUA news agency, and Guo Weifeng, 34, director of the Hong Kong, Macao, and Foreign News Department of the China News Service.

The Bureau of Entry and Exit of the Ministry of the Interior will screen their applications Saturday so that travel permits can be issued to them in time for their arrival in Taipei early next week, if they meet the screening requirements.

Liao Cheng-hao, deputy director general of GIO, said, "This is a good beginning. We welcome mainland journalists to cover news events in Taiwan."

"They are entitled to full freedom of news reporting in Taiwan. We would be glad to give them any assistance they need," Liao said.

While here, the two mainland journalists will cover the unprecedented visit to Taiwan by two Mainland Red Cross representatives. The Red Cross personnel are expected to arrive in Taipei on Aug. 12 to visit seven mainland Chinese fishermen who have been indicted for piracy.

Eighteen mainland Chinese fishermen were arrested on July 21 after they allegedly robbed a Taiwan fishing boat in the Taiwan Straits. Eleven of them have been acquitted for lack of evidence and sent to the offshore island of Chinmen for repatriation to the mainland.

**XINHUA Reporters Arrive**

*OW1208101891 Tokyo KYODO in English 0946 GMT  
12 Aug 91*

[Text] Taipei, Aug. 12 KYODO—Two Chinese reporters arrived in Taipei via Hong Kong on Monday, the first journalists from the mainland to do so since the People's Republic was founded in 1949.

The reporters from the official XINHUA NEWS AGENCY and the China NEWS SERVICE are covering Mainland Chinese fishermen who are being held in Taiwan on piracy charges.

It is not known whether two officials from China's Red Cross would also fly to Taiwan but the pair reportedly left Beijing for Hong Kong earlier in the day.

Taiwan reportedly postponed a planned visit by the Chinese Red Cross officials because the two sides could not agree on how long they would be welcome.

In Beijing on Monday, the Red Cross Society of China said it was not aware of the Taiwanese decision to block their entry.

According to press reports, the Taiwanese Navy and patrol boats took 18 Mainland Chinese into custody July 21 after they allegedly boarded a Taiwanese fishing boat and kidnapped a fisherman.

**Visit by Mainland Red Cross Officials Planned****No Official Contacts Arranged**

*OW1008114991 Taipei CNA in English 0816 GMT  
10 Aug 91*

[Text] Taipei, Aug. 10 (CNA)—The Straits Exchange Foundation (SEF) will not arrange any visit with government officials for the two mainland Chinese Red Cross officials scheduled to arrive here Aug. 12, a ranking SEF official said.

Chen Jung-chieh, SEF deputy secretary general, reiterated that "humanitarianism" will be the basic principle guiding SEF treatment of the two mainland Red Cross officials.

The two will meet seven mainland Chinese fishermen detained in Taichung, central Taiwan, on charges of piracy against Taiwan fishermen.

Qu Zhe, deputy secretary general of the mainland Red Cross Society, and Zhuang Zhongxi, deputy director for policy research at the society, will also be allowed to attend a court hearing on the case, Chen said.

If they wish to visit SEF and the Republic of China Red Cross Society, that will also be arranged, Chen added.

The SEF official noted that Qu and Zhuang will be allowed to stay here three days, and they will leave Aug. 15.

**Entry Subsequently Barred**

*OW120804191 Taipei CNA in English 0811 GMT  
12 Aug 91*

[Text] Taipei, Aug. 12 (CNA)—The Straits Exchange Foundation (SEF) announced Sunday night that the visit here by two mainland Chinese Red Cross officials has been indefinitely postponed.

Chen Jung-chieh, SEF deputy secretary general, said the "painful" decision was made after Peking failed to submit a written statement on the purpose of the Red Cross officials' "humanitarian visit" before 8:00 P.M. Sunday.

The mainland Red Cross officials, who were to arrive here this afternoon, were supposed to visit seven mainland Chinese fishermen being detained in Taichung on charges of piracy against Taiwan fishermen in the Taiwan Straits.

Chen said the Republic of China Government has not changed its decision to allow the mainland Red Cross officials to visit here.

But, Chen added that the Chinese Communist authorities should respect the Republic of China's judicial system and regulations.

SEF will continue to try to help realize the visit, Chen said.

As to a planned visit here by two mainland Chinese reporters, Chen said it has nothing to do with the visit of the Red Cross officials. "If they (the reporters) want to cover the fishermen story, they can come any time," he added.

Chen said he had informed the Mainland Affairs Council (MAC) of the postponement.

Chen had told the press earlier that the two Red Cross officials had, at the last moment, asked to meet the seven detained mainland fishermen immediately after arriving in Taiwan Monday afternoon and then to "discuss the case" with judicial authorities.

MAC officials said Peking apparently still wanted to settle the judicial case through "negotiations."

Taipei cannot accept the Peking proposal because of the independence of its judiciary, the MAC officials said.

"We have agreed to let the two officials and two reporters attend a court hearing on the case in Taichung," central Taiwan. MAC Vice Chairman Ma Ying-jeou said.

The seven mainland fishermen were charged with robbing Taiwan fishermen July 21 in waters off Miaoli, central Taiwan; 11 other crewmen, who were not charged, were sent to Chinmen for repatriation to the mainland.

The Taichung District Court held an open hearing on the case Aug. 9 in which the accused seven claimed they had jumped onto the Taiwan boat just in order to settle a fishing net dispute, not to rob the Taiwan crew.

The court decided to hold another hearing Aug. 14 to cross examine both accusers and accused.

### Fishermen To Be Repatriated

OW 0908183591 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 7 Aug 91

[Text] The Chinese Communists asked us to delay the repatriation of the 11 crew members of the Minshihyu fishing boats not involved in the law case until (Chu Che), [deputy secretary of the Red Cross Society of China], and another representative from the mainland could come visit them. We refused this request on 7 August on the ground that the 11 fishermen have not only been freed but are also very happy in Taiwan. They should not receive any humanitarian visit. Ma Ying-jeou, vice chairman of the Mainland Affairs Council,

said that if the Chinese Communists place importance on humanism, they should let these fishermen come home as soon as possible.

Meanwhile, the 11 crew members of the Minshihyu fishing boats not to be prosecuted and arraigned will be sent from Taichung Port to Chinmen for repatriation on the morning of 8 August. On 7 August, the Taichung Port Police Office completed all preparatory procedures for their repatriation.

### Fishermen, Boats to Chinmen

OW 0908133691 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 8 Aug 91

[Text] The 11 crew members of the mainland's Minshihyu fishing boats, who will not be prosecuted and tried, were repatriated from Taichung Port to Chinmen aboard the Navy's No. 832 cruiser early yesterday [8 August] morning. The two fishing boats, steered by six fishermen from Taiwan's Wuchi fishing port, followed the cruiser. They are expected to arrive in Chinmen early this morning.

In spite of the departure of the 11 crew members for Chinmen aboard the Navy cruiser yesterday morning, the Chinese Communist State Council's Taiwan Affairs Office still sent a letter to Taipei yesterday afternoon, expressing its unwillingness to cooperate in meeting the fishermen because unexpected incidents might occur. The Strait Exchange Foundation [SEF] responded immediately, rejecting the mainland side's reason of not wanting to meet the fishermen but still hoping that the mainland would come to Quemoy to get the fishermen and boats today. It is understood that if the mainland side continues to refuse to come to take the fishermen and boats, the 11 crew members will be repatriated by the relevant department after staying in Quemoy for several days.

(Chou Che-pai), deputy director of the Chinese Communist State Council's Taiwan Affairs Office, sent a letter to the SEF yesterday afternoon. The letter said: In the letters on 6 and 7 August, the mainland side had already stated its stand on the repatriation of Tsai Cheng-chia and 10 other fishermen. It is hoped that the opinion of Fujian Province and relevant departments will be respected so as to avoid unexpected incidents.

Chen Jung-chieh, deputy secretary general of the SEF, immediately replied by pointing out: The 11 crew members are familiar with the water and the boats have been repaired. Moreover, the course will be a brief one. Therefore, the Chinese Communists' assertion about unexpected incidents is unacceptable. It is hoped that the Chinese Communists authorities will send personnel to Quemoy to get the fishermen and boats.

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22 Aug 1991

